



# West Yorkshire Pension Fund

## PROXY VOTING REVIEW

PERIOD 1<sup>st</sup> April 2021 to 30<sup>th</sup> June 2021

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## 1 Resolution Analysis

- Number of resolutions voted: 11922 (note that it MAY include non-voting items).
- Number of resolutions supported by client: 7417
- Number of resolutions opposed by client: 3026
- Number of resolutions abstained by client: 1006
- Number of resolutions Non-voting: 402
- Number of resolutions Withheld by client: 47
- Number of resolutions Not Supported by client: 18

### 1.1 Number of meetings voted by geographical location

Location	Number of Meetings Voted
UK & BRITISH OVERSEAS	189
EUROPE & GLOBAL EU	242
USA & CANADA	85
ASIA	129
JAPAN	62
AUSTRALIA & NEW ZEALAND	7
SOUTH AMERICA	94
REST OF THE WORLD	4
<b>TOTAL</b>	<b>812</b>

### 1.2 Number of Resolutions by Vote Categories

Vote Categories	Number of Resolutions
For	7417
Abstain	1006
Oppose	3026
Non-Voting	402
Not Supported	18
Withhold	47
US Frequency Vote on Pay	2
Withdrawn	3
<b>TOTAL</b>	<b>11922</b>

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

Company	Meeting Date	Type	Comment
DAVIDE CAMPARI MILANO NV	08-04-2021	AGM	No ballot received
PETROBRAS-PETROLEO BRASILEIRO	12-04-2021	EGM	No ballot received
PETROBRAS-PETROLEO BRASILEIRO	14-04-2021	AGM	No ballot received
PETROBRAS-PETROLEO BRASILEIRO	14-04-2021	EGM	No ballot received
OI S.A.	19-04-2021	EGM	No ballot received
CIA DE SANEAMENTO DO PARANA	22-04-2021	EGM	No ballot received
CIA DE SANEAMENTO DO PARANA	22-04-2021	AGM	No ballot received
FORTHNET SA	22-04-2021	EGM	No ballot received
AMERICA MOVIL SAB DE CV	26-04-2021	AGM	No ballot received
AMERICA MOVIL SAB DE CV	26-04-2021	EGM	No ballot received
ITAU UNIBANCO HLDG SA	27-04-2021	AGM	No ballot received
ELETROBRAS	27-04-2021	AGM	No ballot received
ITAU UNIBANCO HLDG SA	27-04-2021	EGM	No ballot received
VALE SA	30-04-2021	AGM	No ballot received
COSAN LIMITED	30-04-2021	AGM	No ballot received
VALE SA	30-04-2021	EGM	No ballot received
COSAN LIMITED	30-04-2021	EGM	No ballot received
OI S.A.	30-04-2021	EGM	No ballot received
SWATCH GROUP AG	11-05-2021	AGM	No ballot received
BAYERISCHE MOTOREN WERKE AG	12-05-2021	AGM	Information only meeting
ACER INC	11-06-2021	AGM	No ballot received
IMPELLAM GROUP PLC	29-06-2021	AGM	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	For	Abstain	Oppose	Non-Voting	Not Supported	Withhold	Withdrawn	US Frequency Vote on Pay	Total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	2273	209	655	0	0	3	2	0	3142
EUROPE & GLOBAL EU	2582	345	1164	399	18	0	1	0	4509
USA & CANADA	725	95	385	0	0	43	0	2	1250
ASIA	596	177	531	3	0	0	0	0	1307
JAPAN	726	3	66	0	0	0	0	0	795
AUSTRALIA & NEW ZEALAND	40	2	21	0	0	0	0	0	63
SOUTH AMERICA	438	170	186	0	0	1	0	0	795
REST OF THE WORLD	37	5	18	0	0	0	0	0	60
<b>TOTAL</b>	<b>7417</b>	<b>1006</b>	<b>3026</b>	<b>402</b>	<b>18</b>	<b>47</b>	<b>3</b>	<b>2</b>	<b>11922</b>

## 1.5 Votes Made in the Portfolio Per Resolution Category

## Portfolio

	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	33	1	16	0	0	0	0
Annual Reports	699	317	422	0	0	2	0
Articles of Association	427	28	21	2	0	0	0
Auditors	352	63	315	0	0	3	0
Corporate Actions	43	3	1	0	0	0	0
Corporate Donations	64	7	4	0	0	0	0
Debt & Loans	16	2	17	0	0	0	0
Directors	3897	451	1095	0	18	41	3
Dividend	476	25	20	0	0	0	0
Executive Pay Schemes	17	2	128	0	0	0	0
Miscellaneous	400	18	55	3	0	0	0
NED Fees	192	35	68	1	0	0	0
Non-Voting	4	7	0	396	0	0	0
Say on Pay	1	25	55	0	0	0	0
Share Capital Restructuring	65	5	11	0	0	0	0
Share Issue/Re-purchase	560	16	779	0	0	1	0
Shareholder Resolution	170	1	19	0	0	0	0

## 1.6 Votes Made in the UK Per Resolution Category

	UK						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
Annual Reports	86	62	16	0	0	2	0
Remuneration Reports	76	50	30	0	0	0	0
Remuneration Policy	9	11	30	0	0	0	0
Dividend	110	0	0	0	0	0	0
Directors	1169	52	100	0	0	0	2
Approve Auditors	29	14	125	0	0	0	0
Share Issues	310	6	47	0	0	1	0
Share Repurchases	9	0	162	0	0	0	0
Executive Pay Schemes	0	2	18	0	0	0	0
All-Employee Schemes	23	1	8	0	0	0	0
Political Donations	60	7	4	0	0	0	0
Articles of Association	72	0	1	0	0	0	0
Mergers/Corporate Actions	13	1	0	0	0	0	0
Meeting Notification related	125	0	1	0	0	0	0
All Other Resolutions	181	3	111	0	0	0	0
Shareholder Resolution	1	0	2	0	0	0	0



## 1.7 Votes Made in the US Per Resolution Category

### US/Global US & Canada

	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	7	0	2	0	0	0	0
Annual Reports	5	0	2	0	0	0	0
Articles of Association	12	0	0	0	0	0	0
Auditors	10	10	65	0	0	3	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	558	61	233	0	0	40	0
Dividend	1	0	0	0	0	0	0
Executive Pay Schemes	0	0	21	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0
NED Fees	1	0	0	0	0	0	0
Non-Voting	0	0	0	0	0	0	0
Say on Pay	1	24	54	0	0	0	0
Share Capital Restructuring	1	0	1	0	0	0	0
Share Issue/Re-purchase	4	0	3	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>							
Political Spending/Lobbying	0	6	0	0	0	0	0
Human Rights	0	16	0	0	0	0	0
Employment Rights	0	11	0	0	0	0	0
Environmental	0	5	0	0	0	0	0
Animal Rights	0	1	0	0	0	0	0
Lobbying	0	8	0	0	0	0	0
<b>Executive Compensation</b>							
Clawback	0	5	0	0	0	0	0
Performance Metrics Requirement	0	2	0	0	0	0	0
Other	0	2	0	0	0	0	0
Remuneration Issues	0	4	0	0	0	0	0
Equity Retention	0	1	0	0	0	0	0
<b>Voting Rules</b>							
Simple Majority Voting	0	1	0	0	0	0	0
Stock Classes/Voting Rights	0	1	0	0	0	0	0
<b>Corporate Governance</b>							
Special Meetings	0	4	0	0	0	0	0
Diversity of the Board/Director Qualification	0	0	0	0	1	0	0
Chairman Independence	0	10	0	0	0	0	0
Other	0	12	0	0	0	0	0
Written Consent	0	17	0	0	1	0	0
Proxy Access	0	5	0	0	0	0	0

## 1.9 Votes Made in the EU Per Resolution Category

	EU & Global EU						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	3	0	4	0	0	0	0
Annual Reports	303	152	275	0	0	0	0
Articles of Association	232	3	6	2	0	0	0
Auditors	127	30	47	0	0	0	0
Corporate Actions	6	0	0	0	0	0	0
Corporate Donations	1	0	0	0	0	0	0
Debt & Loans	12	0	9	0	0	0	0
Directors	1099	132	381	0	18	0	1
Dividend	212	4	7	0	0	0	0
Executive Pay Schemes	6	0	64	0	0	0	0
Miscellaneous	166	3	23	3	0	0	0
NED Fees	149	7	17	1	0	0	0
Non-Voting	4	7	0	393	0	0	0
Say on Pay	0	1	0	0	0	0	0
Share Capital Restructuring	54	3	8	0	0	0	0
Share Issue/Re-purchase	185	3	310	0	0	0	0
Shareholder Resolution	23	0	13	0	0	0	0

## 1.10 Votes Made in the GL Per Resolution Category

	Global						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	2	0	0	0	0
Annual Reports	218	41	69	0	0	0	0
Articles of Association	110	25	14	0	0	0	0
Auditors	25	9	77	0	0	0	0
Corporate Actions	23	2	1	0	0	0	0
Corporate Donations	3	0	0	0	0	0	0
Debt & Loans	4	2	8	0	0	0	0
Directors	1071	205	381	0	0	1	0
Dividend	153	21	13	0	0	0	0
Executive Pay Schemes	11	0	25	0	0	0	0
Miscellaneous	107	15	31	0	0	0	0
NED Fees	41	27	49	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	5	2	2	0	0	0	0
Share Issue/Re-purchase	46	7	150	0	0	0	0
Shareholder Resolution	19	1	0	0	0	0	0

## 1.11 Geographic Breakdown of Meetings All Supported

### SZ

Meetings	All For	AGM	EGM
7	1	0	1

### AS

Meetings	All For	AGM	EGM
129	4	2	2

### UK

Meetings	All For	AGM	EGM
189	13	0	13

### EU

Meetings	All For	AGM	EGM
242	8	0	8

### SA

Meetings	All For	AGM	EGM
94	26	0	26

### GL

Meetings	All For	AGM	EGM
4	0	0	0

### JP

Meetings	All For	AGM	EGM
62	26	26	0

### US

Meetings	All For	AGM	EGM
85	0	0	0

### TOTAL

Meetings	All For	AGM	EGM
812	78	28	50

## 1.12 List of all meetings voted

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
DEUTSCHE TELEKOM	01-04-2021	AGM	14	4	0	9
ST MODWEN PROPERTIES PLC	01-04-2021	AGM	19	12	3	4
THE TORONTO-DOMINION BANK	01-04-2021	AGM	18	15	1	2
ELLAKTOR SA	02-04-2021	EGM	6	2	0	4
ODONTOPREV SA	05-04-2021	EGM	5	5	0	0
BROADCOM INC	05-04-2021	AGM	12	6	2	4
THAI UNION GROUP	05-04-2021	AGM	13	6	1	6
GRUPO COMERCIAL CHEDRAUI SA	05-04-2021	AGM	8	0	8	0
ODONTOPREV SA	05-04-2021	AGM	9	5	1	3
SSP GROUP PLC	06-04-2021	EGM	2	0	0	2
BANCA MONTE DEI PASCHI DI SIENA SPA	06-04-2021	AGM	7	5	1	1
ZURICH INSURANCE GROUP AG	07-04-2021	AGM	28	22	0	5
ROCKWOOL INTERNATIONAL A/S	07-04-2021	AGM	20	14	2	1
SCHLUMBERGER N.V. (SCHLUMBERGER LIMITED)	07-04-2021	AGM	14	6	2	6
PIRAEUS FINANCIAL HOLDINGS SA	07-04-2021	EGM	4	2	0	2
CCR SA	08-04-2021	EGM	1	1	0	0
RM PLC	08-04-2021	AGM	17	10	1	6
MARFRIG GLOBAL FOODS S.A	08-04-2021	EGM	8	6	0	2
PTT EXPLORATION & PRODUCTION	08-04-2021	AGM	11	7	0	4
MARFRIG GLOBAL FOODS S.A	08-04-2021	AGM	16	3	8	5
ELISA OYJ	08-04-2021	AGM	18	7	0	4
THE DRILLING CO. OF 1972	08-04-2021	AGM	15	9	4	1
VESTAS WIND SYSTEMS AS	08-04-2021	AGM	23	10	9	2
SCENTRE GROUP	08-04-2021	AGM	5	3	0	2
ROYAL BANK OF CANADA	08-04-2021	AGM	18	14	3	1
NOKIA OYJ	08-04-2021	AGM	18	9	0	2

VINCI	08-04-2021	AGM	22	13	1	8
CCR SA	08-04-2021	AGM	9	4	1	4
FERROVIAL S.A.	08-04-2021	AGM	13	6	4	2
JERONIMO MARTINS SGPS SA	08-04-2021	AGM	4	1	2	1
UBS GROUP AG	08-04-2021	AGM	29	20	1	8
DIALOG SEMICONDUCTOR PLC	09-04-2021	COURT	1	1	0	0
KASIKORNBANK PCL	09-04-2021	AGM	14	8	2	4
P/F BAKKAFROST HOLDING	09-04-2021	AGM	17	8	1	8
RIO TINTO PLC	09-04-2021	AGM	22	13	0	9
RUMO SA	09-04-2021	EGM	1	1	0	0
DIALOG SEMICONDUCTOR PLC	09-04-2021	EGM	1	1	0	0
TELIA COMPANY AB	12-04-2021	AGM	46	31	4	5
ACCIONA SA	12-04-2021	EGM	1	1	0	0
JARDINE STRATEGIC HLDGS LTD	12-04-2021	EGM	2	1	0	1
BANGKOK BANK PCL	12-04-2021	AGM	14	12	0	2
CINEWORLD GROUP PLC	12-04-2021	EGM	1	0	0	1
SWEDISH MATCH AB	13-04-2021	AGM	43	20	1	17
BANK OF NOVA SCOTIA	13-04-2021	AGM	17	13	2	2
DOMETIC GROUP AB	13-04-2021	AGM	33	21	1	5
SAAB AB	13-04-2021	AGM	56	32	3	12
GLOBAL DOMINION ACCESS, S.A.	13-04-2021	AGM	14	8	0	6
SUBSEA 7 SA	14-04-2021	EGM	4	2	0	2
SSAB (SVENSKT STAL AB)	14-04-2021	AGM	41	14	1	19
HUSQVARNA AB	14-04-2021	AGM	37	17	1	12
KONINKLIJKE BAM GROEP NV	14-04-2021	AGM	19	9	0	5
ULTRAPAR PARTICIPACOES SA	14-04-2021	EGM	1	1	0	0
SMITH & NEPHEW PLC	14-04-2021	AGM	22	16	2	4
SUBSEA 7 SA	14-04-2021	AGM	9	8	1	0

AIRBUS SE	14-04-2021	AGM	19	8	0	5
JULIUS BAER GRUPPE AG	14-04-2021	AGM	28	22	0	6
RAMAYANA LESTARI SENTOSA TBK	14-04-2021	EGM	1	0	0	1
ULTRAPAR PARTICIPACOES SA	14-04-2021	AGM	22	8	9	5
COMPANIA CERVECERIAS UNIDAS	14-04-2021	AGM	13	7	0	6
KONINKLIJKE (ROYAL) KPN NV	14-04-2021	AGM	19	5	2	5
ENERGIAS DE PORTUGAL SA (EDP)	14-04-2021	AGM	18	5	4	9
ARENA EVENTS GROUP PLC	14-04-2021	EGM	3	2	0	1
GENTING SINGAPORE PLC	15-04-2021	AGM	9	6	0	3
SCA (SVENSKA CELLULOSA) AB	15-04-2021	AGM	44	13	1	23
PACIFIC BASIN SHIPPING LTD	15-04-2021	AGM	10	5	1	4
BANCO BPM SOCIETA PER AZIONI	15-04-2021	AGM	12	7	1	3
CNH INDUSTRIAL NV	15-04-2021	AGM	18	5	5	5
CELANESE CORPORATION	15-04-2021	AGM	12	7	1	4
UNICREDIT SPA	15-04-2021	AGM	19	10	3	5
TOMTOM NV	15-04-2021	AGM	18	6	2	5
EMBOTELLADORA ANDINA SA	15-04-2021	AGM	10	2	4	4
ORKLA ASA	15-04-2021	AGM	18	8	0	9
FERRARI NV	15-04-2021	AGM	23	15	3	1
WILMAR INTERNATIONAL LTD	15-04-2021	AGM	12	7	0	5
TELEFONICA BRASIL SA	15-04-2021	AGM	5	2	0	3
OSTERREICH POST AG	15-04-2021	AGM	7	5	0	1
NESTLE SA	15-04-2021	AGM	29	14	11	4
CIMB GROUP HOLDINGS BERHAD	15-04-2021	EGM	2	0	0	2
CAP-CIA ACEROS DEL PACIFICO	15-04-2021	AGM	10	2	7	1
CIMB GROUP HOLDINGS BERHAD	15-04-2021	AGM	11	5	2	4
LVMH (MOET HENNESSY - LOUIS VUITTON) SE	15-04-2021	AGM	30	9	2	19
STELLANTIS N.V.	15-04-2021	AGM	13	3	1	5



COCA-COLA AMATIL LTD	16-04-2021	COURT	1	1	0	0
NATURA & CO HOLDING SA	16-04-2021	EGM	14	13	0	1
SWISS RE	16-04-2021	AGM	29	17	5	7
MANILA WATER CO INC	16-04-2021	AGM	19	7	0	12
FAIR OAKS INCOME FUND LTD	16-04-2021	EGM	3	2	0	1
HENKEL AG & Co KGaA	16-04-2021	AGM	11	8	1	2
NATURA & CO HOLDING SA	16-04-2021	AGM	5	4	0	1
HUTCHISON PORT HLDGS TRUST	19-04-2021	AGM	3	1	1	1
ELECTRICITY GENERATING PCL	19-04-2021	AGM	12	9	1	2
OI S.A.	19-04-2021	EGM	10	10	0	0
CARRIER GLOBAL CORP	19-04-2021	AGM	11	7	0	3
BANCO BILBAO VIZCAYA ARGENTARIA SA (BBVA)	19-04-2021	AGM	22	14	4	4
CARNIVAL PLC (GBR)	20-04-2021	AGM	21	8	1	12
HERALD INVESTMENT TRUST PLC	20-04-2021	AGM	12	9	0	2
U.S. BANCORP	20-04-2021	AGM	15	7	1	7
BANK OF AMERICA CORPORATION	20-04-2021	AGM	23	17	0	6
THE COCA-COLA COMPANY	20-04-2021	AGM	15	7	4	4
VERBUND AG	20-04-2021	AGM	9	2	3	3
ABERDEEN EMERGING MARKETS INV CO LTD	20-04-2021	AGM	12	9	0	3
XP POWER LTD	20-04-2021	AGM	15	9	1	5
THE BOEING COMPANY	20-04-2021	AGM	14	8	1	5
NORDIC SEMICONDUCTOR	20-04-2021	AGM	21	9	0	8
PETRONAS GAS	20-04-2021	AGM	7	4	0	3
RECORDATI SPA	20-04-2021	AGM	6	1	2	3
LOREAL SA	20-04-2021	AGM	23	15	0	8
ITALGAS S.P.A.	20-04-2021	AGM	6	2	1	3
HUNTING PLC	21-04-2021	AGM	17	10	3	4
BUNZL PLC	21-04-2021	AGM	23	14	4	5

BANCA POPOLARE EMILIA ROMAGNA	21-04-2021	AGM	15	8	3	0
NATIONAL BANK OF GREECE	21-04-2021	EGM	1	0	1	0
GRUPO AEROPORTUARIO DEL CENTRO NORTE	21-04-2021	AGM	7	5	0	2
ABN AMRO BANK	21-04-2021	AGM	21	6	1	2
PGS-PETROLEUM GEO-SERVICES	21-04-2021	AGM	24	17	3	3
DRAX GROUP PLC	21-04-2021	AGM	18	13	2	3
CANADIAN PACIFIC RAILWAY LIMITED	21-04-2021	AGM	15	13	2	0
AYALA LAND INC	21-04-2021	AGM	19	9	0	10
NOS SGPS S.A	21-04-2021	AGM	7	5	0	2
SERCO GROUP PLC	21-04-2021	AGM	21	12	3	6
IBSTOCK PLC	22-04-2021	AGM	19	14	1	4
MONCLER SPA	22-04-2021	AGM	8	5	2	1
HOLMEN AB	22-04-2021	AGM	39	23	0	9
STHREE PLC	22-04-2021	AGM	16	11	3	2
IGUATEMI EMPRESA DE SHOP CTR	22-04-2021	AGM	4	2	1	1
AGEAS NV	22-04-2021	EGM	10	4	0	2
RAIFFEISEN BANK INTERNATIONAL AG	22-04-2021	AGM	7	5	0	1
DEXUS PROPERTY GROUP	22-04-2021	EGM	3	0	0	3
SEGRO PLC	22-04-2021	AGM	23	19	1	3
TELEFONICA SA	22-04-2021	AGM	20	14	3	3
PT ASTRA INTERNATIONAL TBK	22-04-2021	AGM	5	3	1	1
TEXAS INSTRUMENTS INCORPORATED	22-04-2021	AGM	14	11	1	2
PFIZER INC.	22-04-2021	AGM	17	9	4	4
LOCKHEED MARTIN CORPORATION	22-04-2021	AGM	15	9	0	6
JOHNSON & JOHNSON	22-04-2021	AGM	20	12	3	5
BANK OF PHILIPPINE ISLANDS	22-04-2021	AGM	25	7	4	14
AGGREKO PLC	22-04-2021	AGM	23	15	3	5
MERCIALYS	22-04-2021	AGM	33	20	0	13

NATIONAL GRID PLC	22-04-2021	EGM	2	2	0	0
WOLTERS KLUWER NV	22-04-2021	AGM	19	8	1	4
BREMBO SPA	22-04-2021	AGM	10	5	0	3
GLI FINANCE LIMITED	22-04-2021	EGM	1	1	0	0
GOL LINHAS AEREAS INTELIGENTES	22-04-2021	AGM	5	3	0	2
ELLAKTOR SA	22-04-2021	EGM	6	2	0	4
VEOLIA ENVIRONNEMENT SA	22-04-2021	AGM	25	14	0	11
COMPAGNIE PLASTIC OMNIUM SE	22-04-2021	AGM	33	15	1	17
TAYLOR WIMPEY PLC	22-04-2021	AGM	22	18	1	3
DOMINO'S PIZZA GROUP PLC	22-04-2021	AGM	23	18	2	3
TRELLEBORG AB	22-04-2021	AGM	36	24	1	4
RELX PLC	22-04-2021	AGM	21	15	2	4
GRUPO AEROPORTUARIO SURESTE	22-04-2021	AGM	14	10	0	4
DIGNITY PLC	22-04-2021	EGM	2	0	0	2
AKZO NOBEL NV	22-04-2021	AGM	17	6	3	4
CIA DE SANEAMENTO DO PARANA	22-04-2021	CLASS	3	2	1	0
GOL LINHAS AEREAS INTELIGENTES	22-04-2021	CLASS	2	2	0	0
TELE2 AB	22-04-2021	AGM	45	26	0	11
CATCO REINSURANCE OPPORTUNITIES	22-04-2021	AGM	7	5	1	1
BB HEALTHCARE TRUST PLC	23-04-2021	AGM	15	12	1	2
GRUPO FINANCIERO BANORTE SA	23-04-2021	EGM	3	3	0	0
CENCOSUD SA	23-04-2021	EGM	4	1	0	3
GALP ENERGIA SGPS SA	23-04-2021	AGM	8	5	0	3
ABBOTT LABORATORIES	23-04-2021	AGM	20	8	2	10
RENAULT SA	23-04-2021	AGM	22	13	0	9
GRUMA SAB DE CV	23-04-2021	EGM	3	2	0	1
HMS NETWORKS AB	23-04-2021	AGM	37	21	2	6
SENIOR PLC	23-04-2021	AGM	17	13	1	3

AMPLIFON SPA	23-04-2021	AGM	9	5	2	1
GRUPO FINANCIERO BANORTE SA	23-04-2021	AGM	8	6	0	2
GRUMA SAB DE CV	23-04-2021	AGM	6	3	2	1
PARQUE ARAUCO SA	23-04-2021	AGM	9	8	0	1
SOCIEDAD QUIMICA Y MINERA DE CHILE - SQM	23-04-2021	AGM	9	7	1	1
HIKMA PHARMACEUTICALS PLC	23-04-2021	AGM	21	14	3	4
CENCOSUD SA	23-04-2021	AGM	11	2	6	3
IOCHPE-MAXION SA	23-04-2021	AGM	17	4	10	3
AUTOGRILL SPA	23-04-2021	AGM	9	4	2	2
JPMORGAN US SMALLER CO IT PLC	26-04-2021	AGM	17	14	0	3
BR PROPERTIES SA	26-04-2021	EGM	7	7	0	0
HYPERA SA	26-04-2021	EGM	3	3	0	0
HYPERA SA	26-04-2021	AGM	29	10	10	9
RAYTHEON TECHNOLOGIES CORP	26-04-2021	AGM	19	12	2	5
AGGREKO PLC	26-04-2021	EGM	2	2	0	0
AGGREKO PLC	26-04-2021	COURT	1	1	0	0
BRAVIDA HOLDING	26-04-2021	AGM	40	25	2	6
BR PROPERTIES SA	26-04-2021	AGM	8	5	0	3
ING GROEP NV	26-04-2021	AGM	20	13	0	2
ASSICURAZIONI GENERALI SPA	26-04-2021	AGM	9	4	1	4
EASTERN WATER RESOURCES DEV & MGMT	26-04-2021	AGM	12	9	0	3
POLYMETAL INTERNATIONAL PLC	26-04-2021	AGM	18	13	0	5
FIBRA PROLOGIS PROPERTY MEXICO	26-04-2021	AGM	8	6	0	2
AMERICA MOVIL SAB DE CV	26-04-2021	AGM	6	3	2	1
GRUPO AEROPORTUARIO DEL PACIFICO	27-04-2021	EGM	4	4	0	0
CITIGROUP INC.	27-04-2021	AGM	24	17	3	4
BRF - BRASIL FOODS SA	27-04-2021	EGM	8	3	0	5
TRAVIS PERKINS PLC	27-04-2021	EGM	3	2	0	1

LOCALIZA RENT A CAR SA	27-04-2021	EGM	1	0	0	1
SUZANO SA	27-04-2021	EGM	2	2	0	0
ALFA LAVAL AB	27-04-2021	AGM	48	36	1	5
RUMO SA	27-04-2021	EGM	4	4	0	0
JYSKE BANK	27-04-2021	EGM	5	3	0	2
SANDVIK AB	27-04-2021	AGM	40	7	5	20
INTERNATIONAL BUSINESS MACHINES CORPORATION	27-04-2021	AGM	17	10	0	7
BAYER AG	27-04-2021	AGM	7	4	1	2
ATLAS COPCO AB	27-04-2021	AGM	43	25	0	11
LOCALIZA RENT A CAR SA	27-04-2021	AGM	25	21	3	1
SUZANO SA	27-04-2021	AGM	5	3	0	2
TRAVIS PERKINS PLC	27-04-2021	AGM	21	12	2	7
WELLS FARGO & COMPANY	27-04-2021	AGM	18	14	1	3
THE PNC FINANCIAL SERVICES GROUP INC.	27-04-2021	AGM	16	9	4	3
BRF - BRASIL FOODS SA	27-04-2021	AGM	6	1	1	4
ZIGNAGO VETRO	27-04-2021	AGM	6	2	0	4
FMC CORPORATION	27-04-2021	AGM	13	4	1	8
CANADIAN NATIONAL RAILWAY COMPANY	27-04-2021	AGM	16	14	1	1
CAPITALAND LTD	27-04-2021	AGM	12	8	0	4
SACI FALABELLA	27-04-2021	AGM	15	10	1	4
JARDINE CYCLE & CARRIAGE LTD	27-04-2021	AGM	13	4	0	9
GRUPO AEROPORTUARIO DEL PACIFICO	27-04-2021	AGM	14	7	3	4
DNB BANK ASA	27-04-2021	AGM	13	9	2	1
RUMO SA	27-04-2021	AGM	38	17	8	13
OTIS WORLDWIDE CORPORATION	27-04-2021	AGM	12	8	0	3
HEXAGON PURUS AS	27-04-2021	AGM	14	8	0	5
DUPONT DE NEMOURS INC	28-04-2021	AGM	18	13	1	4
ATLANTIA SPA	28-04-2021	AGM	14	9	1	2

ANHEUSER-BUSCH INBEV SA	28-04-2021	AGM	14	3	0	8
ECORODOVIAS INFRAESTRUTURA E LOGISTICA	28-04-2021	AGM	5	4	1	0
CIGNA CORPORATION	28-04-2021	AGM	18	9	2	7
METROPOLITAN BANK AND TRUST	28-04-2021	AGM	20	11	0	9
JBS SA	28-04-2021	EGM	2	2	0	0
YDUQS PARTICIPACOES SA	28-04-2021	AGM	10	6	1	3
SCHNEIDER ELECTRIC SE	28-04-2021	AGM	26	17	0	9
HUTCHISON CHINA MEDITECH LTD	28-04-2021	AGM	17	12	0	5
SPIRENT COMMUNICATIONS PLC	28-04-2021	AGM	21	17	1	3
HEXAGON COMPOSITES ASA	28-04-2021	AGM	15	7	0	7
MUENCHENER RUECK AG (MUNICH RE)	28-04-2021	AGM	11	9	1	0
BANCO DO BRASIL	28-04-2021	EGM	9	8	0	1
RTL GROUP	28-04-2021	AGM	23	9	0	12
JBS SA	28-04-2021	AGM	31	15	6	10
LONDON STOCK EXCHANGE GROUP PLC	28-04-2021	AGM	25	21	0	4
INTESA SANPAOLO SPA	28-04-2021	AGM	11	5	3	3
YDUQS PARTICIPACOES SA	28-04-2021	EGM	7	7	0	0
SNAM SPA	28-04-2021	AGM	6	2	0	4
PERSIMMON PLC	28-04-2021	AGM	18	14	2	2
GRAFTON GROUP PLC	28-04-2021	AGM	20	15	0	5
BRITISH AMERICAN TOBACCO PLC	28-04-2021	AGM	20	14	1	5
ASSA ABLOY AB	28-04-2021	AGM	29	19	0	4
COGNA EDUCACAO SA	28-04-2021	EGM	1	0	0	1
AKER ASA	28-04-2021	AGM	16	8	0	6
GOLDEN AGRI RESOURCES LTD	28-04-2021	AGM	11	7	0	4
COGNA EDUCACAO SA	28-04-2021	EGM	2	2	0	0
ENGIE BRASIL ENERGIA SA	28-04-2021	AGM	6	3	1	2
AMERIPRISE FINANCIAL INC.	28-04-2021	AGM	11	2	3	6

PRYSMIAN SPA	28-04-2021	AGM	12	5	2	4
GREENCOAT UK WIND PLC	28-04-2021	AGM	13	11	1	1
NATWEST GROUP PLC	28-04-2021	AGM	28	23	0	5
RWE AG	28-04-2021	AGM	22	14	3	4
MARR	28-04-2021	AGM	4	2	2	0
HEXPOL AB	28-04-2021	AGM	28	16	0	4
MARATHON PETROLEUM CORPORATION	28-04-2021	AGM	10	6	2	2
ROYAL UNIBREW	28-04-2021	AGM	20	14	4	2
UNIPOL SAI ASSICURAZIONI S.P.A.	28-04-2021	AGM	13	7	3	2
URBI DESARROLLOS URBANOS SA	28-04-2021	AGM	6	3	1	2
CHINA LONGYUAN POWER GROUP	28-04-2021	EGM	2	2	0	0
ALCON AG	28-04-2021	AGM	22	15	3	4
GRUPO TELEVISA SAB	28-04-2021	EGM	2	1	0	1
BANCO DO BRASIL	28-04-2021	AGM	33	12	8	13
EPIROC AB	28-04-2021	AGM	49	36	2	4
FORTUM OYJ	28-04-2021	AGM	19	6	3	3
HONG LEONG FINANCE LTD	29-04-2021	AGM	10	4	0	6
GLENCORE PLC	29-04-2021	AGM	20	11	4	5
CRH PLC	29-04-2021	AGM	23	20	0	3
ITV PLC	29-04-2021	AGM	24	19	0	5
AMBEV SA COM	29-04-2021	EGM	6	6	0	0
ENIRO AB	29-04-2021	AGM	21	0	21	0
CIA SANEAMENTO BASICO ESTADO SAO PAULO	29-04-2021	EGM	3	3	0	0
BASF SE	29-04-2021	AGM	6	2	2	1
MEGGITT PLC	29-04-2021	AGM	20	15	2	3
CIA HERING	29-04-2021	EGM	8	6	0	2
LOJAS RENNER SA	29-04-2021	AGM	27	20	4	3
MILLS ESTRUTURAS E SERVICOS	29-04-2021	EGM	4	4	0	0

VALID SOLUCOES S.A.	29-04-2021	EGM	3	1	0	2
CIA SANEAMENTO BASICO ESTADO SAO PAULO	29-04-2021	AGM	5	1	2	2
AMBEV SA COM	29-04-2021	AGM	8	5	1	2
SYNTHOMER PLC	29-04-2021	AGM	19	12	1	6
CIA HERING	29-04-2021	AGM	19	13	3	3
HEXAGON AB	29-04-2021	AGM	38	21	0	8
ASML HOLDING NV	29-04-2021	AGM	24	6	5	6
EZ TEC EMPREENDIMENTOS	29-04-2021	AGM	20	10	9	1
DANONE	29-04-2021	AGM	28	17	0	11
GAM HOLDING	29-04-2021	AGM	20	17	0	3
LIVENT CORP	29-04-2021	AGM	7	5	1	1
VALID SOLUCOES S.A.	29-04-2021	AGM	18	10	5	3
KERRY GROUP PLC	29-04-2021	AGM	22	15	1	6
JAMES FISHER AND SONS PLC	29-04-2021	AGM	19	12	2	5
MILLS ESTRUTURAS E SERVICOS	29-04-2021	AGM	8	2	5	1
THE WEIR GROUP PLC	29-04-2021	AGM	21	16	0	5
ASIAN PAY TELEVISION TRUST	29-04-2021	AGM	3	2	0	1
EOG RESOURCES INC	29-04-2021	AGM	12	4	0	8
THE GOLDMAN SACHS GROUP INC.	29-04-2021	AGM	19	11	1	7
ACCOR HOTELS GROUP	29-04-2021	AGM	22	13	0	9
RCS MEDIAGROUP	29-04-2021	AGM	9	4	1	3
AXA	29-04-2021	AGM	28	14	0	14
PROMOTORA Y OPERADORA DE INFRAESTRUCTURA	29-04-2021	AGM	11	0	11	0
SCHRODERS PLC	29-04-2021	AGM	21	17	0	4
CONTINENTAL AG	29-04-2021	AGM	34	32	1	0
ALSEA SA DE CV	29-04-2021	AGM	7	4	0	3
IGUATEMI EMPRESA DE SHOP CTR	29-04-2021	EGM	3	3	0	0
AZUL SA	29-04-2021	CLASS	4	3	0	1



KINNEVIK AB	29-04-2021	AGM	42	31	0	5
FLUTTER ENTERTAINMENT PLC	29-04-2021	AGM	22	17	2	3
OVERSEA CHINESE BANKING	29-04-2021	AGM	14	9	0	5
CHINA MOBILE LTD	29-04-2021	AGM	11	7	0	4
PHAROL SGPS SA	30-04-2021	AGM	11	3	3	5
ORGANIZACION CULTIBA SAB CV	30-04-2021	AGM	6	1	5	0
PEARSON PLC	30-04-2021	AGM	20	16	0	4
ROTORK PLC	30-04-2021	AGM	19	14	1	4
ARGOS RESOURCES LTD	30-04-2021	EGM	2	1	0	1
COMPANHIA SIDERURGICA NACIONAL	30-04-2021	EGM	1	1	0	0
OI S.A.	30-04-2021	AGM	9	3	3	3
SANOFI	30-04-2021	AGM	27	15	0	12
LEE & MAN PAPER MFG LTD	30-04-2021	AGM	12	6	1	5
PAN-UNITED CORP LTD	30-04-2021	AGM	10	3	0	7
CIR	30-04-2021	AGM	8	4	2	2
STARHUB LTD	30-04-2021	EGM	2	0	0	2
CITY DEVELOPMENTS LTD	30-04-2021	AGM	13	9	1	3
SONAE SGPS SA	30-04-2021	AGM	11	5	1	5
BBGI GLOBAL INFRASTRUCTURE S.A.	30-04-2021	AGM	17	13	0	4
CREDIT SUISSE GROUP	30-04-2021	AGM	29	8	6	15
HANG LUNG GROUP LTD	30-04-2021	AGM	11	5	1	5
SAIPEM SPA	30-04-2021	AGM	12	9	2	0
HANA MICROELECTRONICS PCL	30-04-2021	AGM	9	6	0	3
COMPANHIA SIDERURGICA NACIONAL	30-04-2021	AGM	14	7	4	3
OIL SEARCH LTD	30-04-2021	AGM	11	5	1	5
SMURFIT KAPPA GROUP PLC	30-04-2021	AGM	23	16	2	5
KINGSPAN GROUP PLC	30-04-2021	AGM	20	15	2	3
GRUPO MEXICO SA DE CV	30-04-2021	AGM	9	1	4	4

GENOMMA LAB INTERNACIONAL	30-04-2021	AGM	5	2	1	2
SEMAPA SGPS, S.A.	30-04-2021	AGM	6	5	0	1
FIBRA UNO ADMINISTRACION SA DE CV	30-04-2021	AGM	14	9	2	3
AMP LTD	30-04-2021	AGM	4	2	0	2
COGNA EDUCACAO SA	30-04-2021	AGM	8	3	1	4
STARHUB LTD	30-04-2021	AGM	11	5	0	6
INTERPUMP GROUP SPA	30-04-2021	AGM	8	5	2	1
ELI LILLY AND COMPANY	03-05-2021	AGM	13	8	2	3
PERUSAHAAN GAS NEGARA TBK	03-05-2021	AGM	7	4	1	2
HERMES INTERNATIONAL	04-05-2021	AGM	27	13	0	14
DIALOG SEMICONDUCTOR PLC	04-05-2021	AGM	16	9	1	6
MILLICOM INTL CELLULAR SA	04-05-2021	AGM	23	17	1	4
AIR LIQUIDE SA	04-05-2021	AGM	19	12	2	5
TOMRA SYSTEMS ASA	04-05-2021	AGM	15	8	0	4
AMERICAN EXPRESS COMPANY	04-05-2021	AGM	19	15	0	4
BRISTOL-MYERS SQUIBB COMPANY	04-05-2021	AGM	17	11	3	3
HOLCIM LTD	04-05-2021	AGM	28	22	1	5
INVESTOR AB	05-05-2021	AGM	42	28	3	10
THE RENEWABLES INFRASTRUCTURE GROUP	05-05-2021	AGM	15	13	1	1
NEXI SPA	05-05-2021	AGM	3	1	1	1
ANGLO AMERICAN PLC	05-05-2021	EGM	1	1	0	0
ANGLO AMERICAN PLC	05-05-2021	EGM	1	1	0	0
EUROPRIS ASA	05-05-2021	AGM	21	12	0	6
CIE AUTOMOTIVE SA	05-05-2021	AGM	13	8	3	2
BARCLAYS PLC	05-05-2021	AGM	29	18	2	9
ALLIANZ SE	05-05-2021	AGM	7	3	2	1
ENBRIDGE INC	05-05-2021	AGM	13	11	0	2
PHILIP MORRIS INTERNATIONAL INC.	05-05-2021	AGM	15	9	5	1

PEPSICO INC.	05-05-2021	AGM	18	9	1	8
ANGLO AMERICAN PLC	05-05-2021	AGM	22	17	2	3
GLAXOSMITHKLINE PLC	05-05-2021	AGM	22	18	0	4
TEN ENTERTAINMENT GROUP PLC	05-05-2021	AGM	15	5	3	6
PROSAFE SE	05-05-2021	AGM	16	10	0	4
QBE INSURANCE GROUP LTD	05-05-2021	AGM	8	7	0	1
SAMHALLSBYGGNADSBOLAGET I NORDEN AB	05-05-2021	AGM	34	25	0	3
TRITAX BIG BOX REIT PLC	05-05-2021	AGM	16	12	2	2
AVIVA PLC	06-05-2021	AGM	30	22	1	7
JUPITER FUND MANAGEMENT PLC	06-05-2021	AGM	19	13	2	4
GRANGES AB NPV	06-05-2021	AGM	34	23	0	3
HOWDEN JOINERY GROUP PLC	06-05-2021	AGM	18	14	2	2
GESTAMP AUTOMOCION	06-05-2021	AGM	31	22	3	6
BAE SYSTEMS PLC	06-05-2021	AGM	23	20	1	2
KONINKLIJKE (ROYAL) PHILIPS NV	06-05-2021	AGM	15	7	3	2
SIME DARBY PROPERTY	06-05-2021	AGM	8	4	1	3
BANK OF EAST ASIA LTD	06-05-2021	AGM	10	5	0	5
MALAYAN BANKING BHD	06-05-2021	AGM	11	7	0	4
MONDI PLC	06-05-2021	AGM	20	17	0	3
INDIVIOR PLC	06-05-2021	AGM	22	16	2	4
WEC ENERGY GROUP	06-05-2021	AGM	13	5	0	8
IMI PLC	06-05-2021	AGM	22	15	3	4
KONINKLIJKE (ROYAL) DSM NV	06-05-2021	AGM	22	10	4	2
JARDINE MATHESON HLDGS LTD	06-05-2021	AGM	8	6	0	2
YARA INTERNATIONAL ASA	06-05-2021	AGM	11	9	1	1
MORGAN ADVANCED MATERIALS PLC	06-05-2021	AGM	19	15	2	2
MELROSE INDUSTRIES PLC	06-05-2021	AGM	21	13	4	4
EDF (ELECTRICITE DE FRANCE) SA	06-05-2021	AGM	20	14	0	6

AIB GROUP PLC	06-05-2021	AGM	24	18	1	5
NORSK HYDRO ASA	06-05-2021	AGM	8	7	0	1
ACS (ACTIVIDADES DE CONSTRUCCION Y SERVICIOS)	06-05-2021	AGM	10	7	1	2
RIO TINTO GROUP (AUS)	06-05-2021	AGM	20	12	1	7
MELROSE INDUSTRIES PLC	06-05-2021	EGM	1	0	1	0
HENNES & MAURITZ AB (H&M)	06-05-2021	AGM	47	16	17	6
RATHBONE BROTHERS PLC	06-05-2021	AGM	20	15	3	2
DEUTSCHE POST AG	06-05-2021	AGM	13	3	2	7
RIGHTMOVE PLC	07-05-2021	AGM	20	15	2	3
CONVATEC GROUP PLC	07-05-2021	AGM	21	18	0	3
ALMIRALL SA	07-05-2021	AGM	27	22	4	1
TELUS CORPORATION	07-05-2021	AGM	17	13	1	3
KIER GROUP PLC	07-05-2021	EGM	1	1	0	0
INTERCONTINENTAL HOTELS GROUP PLC	07-05-2021	AGM	25	21	0	4
PEMBINA PIPELINE CORP	07-05-2021	AGM	13	11	1	1
ANTA SPORTS PRODUCTS	07-05-2021	AGM	11	8	1	2
AAK AB, KARLSHAMN	07-05-2021	AGM	37	9	0	22
QUALICORP SA	07-05-2021	EGM	5	5	0	0
VEONEER INC	10-05-2021	AGM	6	3	0	3
HEXCEL CORPORATION	10-05-2021	AGM	11	5	1	5
HUTCHISON TELECOM HONG KONG	10-05-2021	AGM	9	4	1	4
LEONARDO SPA	10-05-2021	AGM	8	4	2	1
TENAGA NASIONAL BHD	10-05-2021	AGM	11	5	0	6
CENTRICA PLC	10-05-2021	AGM	19	12	1	6
THE GYM GROUP PLC	11-05-2021	AGM	18	13	1	4
ASTRAZENECA PLC	11-05-2021	AGM	25	14	2	9
CAPITA PLC	11-05-2021	AGM	21	16	1	4
CENTAMIN PLC	11-05-2021	AGM	18	13	2	3

LIFESTYLE CHINA	11-05-2021	AGM	8	4	1	3
TAKKT AG	11-05-2021	AGM	7	4	0	2
EDENRED SA	11-05-2021	AGM	20	13	0	7
ASTRAZENECA PLC	11-05-2021	EGM	1	1	0	0
3M COMPANY	11-05-2021	AGM	17	11	1	5
WASTE MANAGEMENT INC	11-05-2021	AGM	11	6	1	4
REC SILICON ASA	11-05-2021	AGM	18	6	0	10
CONOCOPHILLIPS	11-05-2021	AGM	19	14	1	4
HGCAPITAL TRUST PLC	11-05-2021	AGM	15	12	0	3
CAIRN ENERGY PLC	11-05-2021	AGM	17	12	0	5
TGS-NOPEC GEOPHYSICAL CO ASA	11-05-2021	AGM	25	18	0	5
IWG PLC	11-05-2021	AGM	17	11	1	5
EQUINOR ASA	11-05-2021	AGM	23	19	2	2
JUST GROUP PLC	11-05-2021	AGM	20	14	3	3
ANTOFAGASTA PLC	12-05-2021	AGM	22	13	4	5
BP PLC	12-05-2021	AGM	22	15	2	5
CONTOURGLOBAL PLC	12-05-2021	AGM	20	11	3	6
CGG SA	12-05-2021	AGM	31	23	0	8
CASINO GUICHARD PERRACHON SA	12-05-2021	AGM	24	14	1	9
SECURE TRUST BANK PLC	12-05-2021	AGM	20	14	2	4
ANTOFAGASTA PLC	12-05-2021	CLASS	1	1	0	0
ALLIED MINDS PLC	12-05-2021	AGM	13	8	1	4
FBD HOLDINGS	12-05-2021	AGM	20	16	1	3
NELLY GROUP AB	12-05-2021	AGM	22	8	1	7
KINDER MORGAN INC	12-05-2021	AGM	18	2	0	16
SIMON PROPERTY GROUP INC.	12-05-2021	AGM	12	4	1	7
RENTOKIL INITIAL PLC	12-05-2021	AGM	21	14	2	5
CINEWORLD GROUP PLC	12-05-2021	AGM	21	12	3	6

MARSHALLS PLC	12-05-2021	AGM	15	11	2	2
ROBERT WALTERS PLC	12-05-2021	AGM	16	13	2	1
SPIRAX-SARCO ENGINEERING PLC	12-05-2021	AGM	20	17	2	1
CREDIT AGRICOLE SA	12-05-2021	AGM	34	23	3	8
STANDARD CHARTERED PLC	12-05-2021	AGM	29	22	0	7
VESUVIUS PLC	12-05-2021	AGM	20	17	0	3
ULTRA ELECTRONICS HOLDINGS PLC	12-05-2021	AGM	18	14	0	4
POWER ASSETS HOLDINGS LTD	12-05-2021	AGM	9	6	0	3
ENI SPA	12-05-2021	AGM	7	3	2	2
JUST EAT TAKEAWAY.COM N.V.	12-05-2021	AGM	23	14	1	4
ENQUEST PLC	12-05-2021	AGM	19	14	2	3
CONDUIT HLDGS LTD	13-05-2021	AGM	14	12	0	2
CHINA UNICOM (HONG KONG) LTD	13-05-2021	AGM	11	4	1	6
LUCECO PLC	13-05-2021	AGM	18	11	2	5
CAIXABANK SA	13-05-2021	AGM	24	18	4	2
BALFOUR BEATTY PLC	13-05-2021	AGM	20	15	2	3
MONEYSUPERMARKET.COM GROUP PLC	13-05-2021	AGM	20	15	2	3
SWIRE PACIFIC LTD	13-05-2021	AGM	7	3	0	4
TT ELECTRONICS PLC	13-05-2021	AGM	18	15	1	2
OCADO GROUP PLC	13-05-2021	AGM	24	16	3	5
VERIZON COMMUNICATIONS INC	13-05-2021	AGM	14	8	0	6
ROLLS-ROYCE HOLDINGS PLC	13-05-2021	AGM	25	19	2	4
CK ASSET HOLDINGS LIMITED	13-05-2021	EGM	3	3	0	0
CVS HEALTH CORP	13-05-2021	AGM	17	6	0	11
UNION PACIFIC CORPORATION	13-05-2021	AGM	17	10	0	7
MARTIN MARIETTA MATERIALS INC.	13-05-2021	AGM	13	8	1	4
INTEL CORPORATION	13-05-2021	AGM	14	11	1	2
QUILTER PLC	13-05-2021	AGM	18	15	0	3

SPIRE HEALTHCARE GROUP PLC	13-05-2021	AGM	22	15	3	4
DIRECT LINE INSURANCE GROUP PLC	13-05-2021	AGM	22	16	0	6
HISCOX LTD	13-05-2021	AGM	19	14	0	5
JOHN WOOD GROUP PLC	13-05-2021	AGM	20	16	1	3
PRUDENTIAL PLC	13-05-2021	AGM	26	22	1	3
ELEMENTIS PLC	13-05-2021	AGM	19	12	4	3
HENGDELI HOLDINGS LTD	14-05-2021	AGM	8	4	0	4
CLP HOLDINGS	14-05-2021	AGM	12	6	0	6
ST JAMES'S PLACE PLC	14-05-2021	AGM	18	16	0	2
TRIPLE POINT SOCIAL HOUSING REIT PLC	14-05-2021	AGM	16	15	0	1
GREGGS PLC	14-05-2021	AGM	16	13	1	2
BW OFFSHORE LTD	14-05-2021	AGM	8	3	0	3
BW ENERGY LIMITED	14-05-2021	AGM	6	3	1	2
SPECTRIS PLC	14-05-2021	AGM	19	16	1	2
HENGAN INTERNATIONAL GROUP	17-05-2021	AGM	14	8	1	5
GCP ASSET BACKED INCOME FUND LIMITED	17-05-2021	AGM	13	10	0	3
SINCH AB	18-05-2021	AGM	33	15	0	10
PAX GLOBAL TECHNOLOGY LTD	18-05-2021	AGM	9	4	1	4
ABRDN PLC	18-05-2021	AGM	24	19	0	5
MTG-MODERN TIMES GROUP AB	18-05-2021	AGM	18	8	2	2
JPMORGAN CHASE & CO.	18-05-2021	AGM	17	10	0	7
ROYAL DUTCH SHELL PLC	18-05-2021	AGM	21	15	1	5
BNP PARIBAS SA	18-05-2021	AGM	24	19	0	5
ORANGE S.A	18-05-2021	AGM	37	12	0	25
CHINA EVERBRIGHT INTL LTD	18-05-2021	AGM	10	5	1	4
KELLER GROUP PLC	19-05-2021	AGM	19	12	3	4
QLIRO AB	19-05-2021	AGM	17	8	0	3
AGEAS NV	19-05-2021	AGM	22	12	1	3

PERMANENT TSB GROUP HOLDINGS PLC	19-05-2021	AGM	22	19	1	2
DIALIGHT PLC	19-05-2021	AGM	17	11	1	5
MONDELEZ INTERNATIONAL INC	19-05-2021	AGM	15	9	1	5
FISERV INC.	19-05-2021	AGM	12	8	0	4
LANXESS AG	19-05-2021	AGM	8	4	1	2
UNIPER SE	19-05-2021	AGM	15	6	3	5
NORDIC ENTERTAINMENT GROUP	19-05-2021	AGM	27	14	1	6
AMPHENOL CORPORATION	19-05-2021	AGM	14	9	0	5
ROSS STORES INC	19-05-2021	AGM	14	6	0	8
KANSAS CITY SOUTHERN	20-05-2021	AGM	12	6	4	2
HENRY BOOT PLC	20-05-2021	AGM	16	9	3	4
SKYWORTH DIGITAL HLDS LTD	20-05-2021	AGM	9	2	0	7
SECURE INCOME REIT PLC	20-05-2021	AGM	13	9	0	4
LEGAL & GENERAL GROUP PLC	20-05-2021	AGM	24	18	0	6
IMPAX ENVIRONMENTAL MARKETS PLC	20-05-2021	AGM	15	14	0	1
THE TRAVELERS COMPANIES INC.	20-05-2021	AGM	14	3	1	10
AIA GROUP LTD	20-05-2021	AGM	10	6	0	4
GRIFOLS SA	20-05-2021	AGM	14	7	4	2
BAKKAVOR GROUP PLC	20-05-2021	AGM	21	14	0	7
SMART METERING SYSTEMS PLC	20-05-2021	AGM	15	12	0	3
TECHNIPFMC PLC	20-05-2021	AGM	19	13	0	6
BANK OF CHINA LTD	20-05-2021	AGM	15	8	0	7
DTE ENERGY COMPANY	20-05-2021	AGM	17	6	0	11
ADCAPITAL AG	20-05-2021	AGM	9	0	8	0
TENCENT HOLDINGS LTD	20-05-2021	AGM	8	2	0	6
TENCENT HOLDINGS LTD	20-05-2021	EGM	1	0	0	1
ALTRIA GROUP INC.	20-05-2021	AGM	15	7	0	8
NEXT PLC	20-05-2021	AGM	20	15	1	4



ENEL SPA	20-05-2021	AGM	6	3	0	3
SEB SA	20-05-2021	AGM	24	14	3	7
ESSENTRA PLC	20-05-2021	AGM	17	12	0	5
LLOYDS BANKING GROUP PLC	20-05-2021	AGM	25	20	0	5
THE HOME DEPOT INC	20-05-2021	AGM	17	9	1	7
PARADISE ENTERTAINMENT LTD	21-05-2021	AGM	7	1	0	6
HEADLAM GROUP PLC	21-05-2021	AGM	15	11	1	3
UNI-PRESIDENT CHINA HLDG LTD	21-05-2021	AGM	10	2	0	8
OLD MUTUAL LTD	21-05-2021	AGM	22	15	1	6
KUKA AG	21-05-2021	AGM	8	4	0	3
MICHELIN	21-05-2021	AGM	17	12	0	5
ESSILORLUXOTTICA SA	21-05-2021	AGM	32	20	0	12
ELECTROMAGNETIC GEOSERVICES	21-05-2021	AGM	16	9	2	4
HONEYWELL INTERNATIONAL INC.	21-05-2021	AGM	14	8	0	6
CRODA INTERNATIONAL PLC	21-05-2021	AGM	20	17	0	3
FRESENIUS SE	21-05-2021	AGM	15	8	1	6
MINAS BUENAVENTURA SA	21-05-2021	EGM	1	0	0	1
CENTRAL ASIA METALS PLC	21-05-2021	AGM	10	5	1	4
PHOENIX MECANO AG	21-05-2021	AGM	16	6	0	10
CHINA LITERATURE	24-05-2021	AGM	11	4	1	6
GEELY AUTOMOBILE HLDGS LTD	24-05-2021	AGM	10	4	0	6
EMPRESAS ICA SAB DE CV	24-05-2021	AGM	5	0	5	0
HILTON FOOD GROUP PLC	24-05-2021	AGM	18	13	1	4
GRUPO TELEVISA SAB	24-05-2021	EGM	2	2	0	0
SUNNY OPTICAL TECH GROUP CO	25-05-2021	AGM	10	6	0	4
HILL & SMITH HOLDINGS PLC	25-05-2021	AGM	18	14	2	2
EMPIRIC STUDENT PROPERTY PLC	25-05-2021	AGM	17	13	2	2
EDDIE STOBART LOGISTICS PLC	25-05-2021	AGM	11	5	0	6

THE RESTAURANT GROUP PLC	25-05-2021	AGM	16	12	1	3
BANK OF IRELAND	25-05-2021	AGM	22	19	0	3
BANK OF GEORGIA GROUP PLC	25-05-2021	AGM	18	12	3	3
INTERTEK GROUP PLC	26-05-2021	AGM	23	18	1	4
PAYPAL HOLDINGS INC	26-05-2021	AGM	15	10	5	0
HANG SENG BANK LTD	26-05-2021	AGM	9	4	0	5
EXXON MOBIL CORPORATION	26-05-2021	AGM	13	10	0	3
CHINESE ESTATES HOLDINGS LTD	26-05-2021	AGM	10	2	0	8
DASSAULT SYSTEMES SE	26-05-2021	AGM	24	17	3	4
LEROY SEAFOOD GROUP ASA	26-05-2021	AGM	15	4	0	8
M&G PLC	26-05-2021	AGM	18	13	1	4
ENAGAS SA	26-05-2021	AGM	20	14	1	4
CHINA EVERBRIGHT LTD	27-05-2021	AGM	10	4	0	6
INCHCAPE PLC	27-05-2021	AGM	21	17	0	4
INTERNATIONAL PUBLIC PARTNERSHIPS LTD	27-05-2021	AGM	16	14	0	2
SHUI ON LAND LTD	27-05-2021	AGM	10	6	0	4
SANSHENG HOLDINGS (GROUP) CO. LTD	27-05-2021	AGM	10	4	0	6
BODYCOTE PLC	27-05-2021	AGM	18	14	1	3
CHINA BLUECHEMICAL LTD	27-05-2021	AGM	17	11	0	6
VECTURA GROUP LIMITED	27-05-2021	AGM	18	13	2	3
WYNN MACAU LTD	27-05-2021	AGM	10	2	0	8
FIRSTGROUP PLC	27-05-2021	EGM	1	1	0	0
CHINA BLUECHEMICAL LTD	27-05-2021	CLASS	1	0	0	1
AGRICULTURAL BANK OF CHINA	27-05-2021	AGM	10	7	0	0
OSB GROUP PLC	27-05-2021	AGM	23	18	1	4
JASA MARGA(INDONESIA HWY CO)	27-05-2021	AGM	9	3	5	1
PRADA SPA	27-05-2021	AGM	22	15	0	7
VECTURA GROUP LIMITED	27-05-2021	EGM	3	2	0	1

MEDIASET SPA	27-05-2021	EGM	1	1	0	0
KALBE FARMA TBK PT	27-05-2021	AGM	5	1	2	2
RESTORE PLC	27-05-2021	AGM	14	10	1	3
TOTALENERGIES SE	28-05-2021	AGM	17	12	1	4
FUFENG GROUP LTD	28-05-2021	AGM	10	5	0	5
ANHUI CONCH CEMENT CO LTD	28-05-2021	AGM	8	5	0	3
HSBC HOLDINGS PLC	28-05-2021	AGM	25	17	1	7
PT TELEKOMUNIKASI INDONESIA (PERSERO) TBK	28-05-2021	AGM	8	2	3	3
LVMH (MOET HENNESSY - LOUIS VUITTON) SE	28-05-2021	EGM	1	0	0	1
RECKITT BENCKISER GROUP PLC	28-05-2021	AGM	24	20	0	4
POWERTECH TECHNOLOGY INC	31-05-2021	AGM	6	6	0	0
ATHEX GROUP	31-05-2021	AGM	18	14	1	3
DISTRIBUCION INTERNACIONAL de ALIMENTACION	31-05-2021	AGM	19	17	0	2
NCC GROUP PLC	01-06-2021	EGM	1	1	0	0
OMV AG	02-06-2021	AGM	11	5	0	5
DAH SING BANKING GROUP LTD	02-06-2021	AGM	8	4	0	4
GEM DIAMONDS LTD	02-06-2021	AGM	18	12	0	6
ALPHABET INC	02-06-2021	AGM	21	12	2	7
ULTA BEAUTY INC.	02-06-2021	AGM	6	2	1	3
COMCAST CORPORATION	02-06-2021	AGM	13	5	0	8
CHINA MENGNIU DAIRY CO	02-06-2021	AGM	8	3	0	5
HONG KONG & CHINA GAS CO LTD	02-06-2021	AGM	11	5	0	6
GENTING BHD	02-06-2021	AGM	11	4	1	6
GRIEG SEAFOOD AS	02-06-2021	AGM	20	14	1	5
PAGEGROUP PLC	03-06-2021	AGM	19	15	2	2
SAMSONITE INTERNATIONAL SA	03-06-2021	AGM	11	6	0	5
XXL ASA	03-06-2021	AGM	18	9	0	9
INFORMA PLC	03-06-2021	AGM	19	16	0	3

NVIDIA CORPORATION	03-06-2021	AGM	16	6	0	10
PROSEGUR COMPANIA DE SEGURIDAD	03-06-2021	AGM	14	7	1	6
SUBSEA 7 SA	04-06-2021	EGM	1	1	0	0
SCHRODER UK PUBLIC PRIVATE TRUST PLC	04-06-2021	AGM	13	11	0	2
NORWEGIAN AIR SHUTTLE ASA	04-06-2021	AGM	16	10	3	2
SINO BIOPHARMACEUTICAL LTD	07-06-2021	AGM	13	7	0	6
CHINA RESOURCES POWER HLDG	07-06-2021	AGM	11	4	0	7
YUANTA FINANCIAL HOLDING CO	07-06-2021	AGM	5	5	0	0
UNITEDHEALTH GROUP INCORPORATED	07-06-2021	AGM	13	6	0	7
CDON AB	07-06-2021	AGM	15	8	0	1
FREEMPORT-MCMORAN INC.	08-06-2021	AGM	9	4	0	5
TAIWAN SEMICONDUCTOR MFG CO	08-06-2021	AGM	13	8	0	5
PLDT INC.	08-06-2021	AGM	18	7	2	9
MERCADOLIBRE INC	08-06-2021	AGM	4	1	0	3
THE TJX COMPANIES INC.	08-06-2021	AGM	16	5	0	11
JIANGXI COPPER CO LTD	08-06-2021	AGM	23	15	0	8
ARCELORMITTAL SA	08-06-2021	AGM	15	7	2	6
SAN MIGUEL CORP	08-06-2021	AGM	25	10	1	14
APERAM SA	08-06-2021	AGM	11	7	0	4
UNITED MICROELECTRONICS CORP	08-06-2021	AGM	12	10	0	2
CHINA RESOURCES LAND LTD	09-06-2021	AGM	13	3	1	9
MIN XIN HOLDINGS LTD	09-06-2021	AGM	11	3	0	8
WPP PLC	09-06-2021	AGM	24	19	1	4
AQUILA EUROPEAN RENEWABLES INCOME FUND PLC	09-06-2021	AGM	14	12	0	2
IP GROUP PLC	09-06-2021	AGM	22	18	1	3
BEIJING ENTERPRISES WATER GROUP	09-06-2021	AGM	15	6	0	9
CATERPILLAR INC.	09-06-2021	AGM	17	10	1	6
CHINA MOBILE LTD	09-06-2021	EGM	12	4	0	8

DOLLARAMA INC	09-06-2021	AGM	12	5	0	7
SINOPHARM GROUP CO	10-06-2021	CLASS	1	0	0	1
MEDIA TEK INC	10-06-2021	AGM	13	6	0	7
DOLLAR TREE INC	10-06-2021	AGM	14	9	1	4
WM MORRISON SUPERMARKETS PLC	10-06-2021	AGM	20	16	1	3
INVESCO PERPETUAL UK SMALLER COMPANIES	10-06-2021	AGM	15	12	0	3
TOYOTA INDUSTRIES CORP	10-06-2021	AGM	11	6	0	5
FIRST PACIFIC CO LTD	10-06-2021	AGM	12	6	0	6
SINOPHARM GROUP CO	10-06-2021	AGM	12	5	1	6
SALESFORCE.COM INC	10-06-2021	AGM	15	6	1	8
DAVITA INC.	10-06-2021	AGM	12	6	0	6
MELIA HOTELS INTL SA	10-06-2021	AGM	16	11	3	2
BRENNTAG SE	10-06-2021	AGM	8	3	3	1
CAIRO MEZZ PLC	11-06-2021	AGM	5	3	1	1
KEYENCE CORP	11-06-2021	AGM	10	7	0	3
DELTA ELECTRONICS INC	11-06-2021	AGM	13	8	1	4
FUBON FINANCIAL HOLDING CO	11-06-2021	AGM	5	3	2	0
GRUPO AEROPORTUARIO DEL CENTRO NORTE	11-06-2021	EGM	2	2	0	0
CTBC FINANCIAL HOLDING CO	11-06-2021	AGM	3	2	0	1
BLACKROCK SMALLER COMPANIES TRUST PLC	11-06-2021	AGM	13	11	0	2
TBC BANK GROUP PLC	14-06-2021	AGM	19	11	4	4
WENTWORTH RESOURCES PLC	15-06-2021	AGM	10	6	1	3
METLIFE INC.	15-06-2021	AGM	14	9	3	2
PIRELLI & CO	15-06-2021	AGM	11	6	2	2
TOYOTA MOTOR CORP	16-06-2021	AGM	11	9	0	2
XAAR PLC	16-06-2021	AGM	13	9	1	3
KIER GROUP PLC	16-06-2021	EGM	2	2	0	0
CHIPBOND TECHNOLOGY	16-06-2021	AGM	6	5	0	1

AMADEUS IT GROUP	16-06-2021	AGM	28	20	5	3
TAIWAN MOBILE CO LTD	16-06-2021	AGM	6	4	0	2
DYNASTY FINE WINES GROUP LTD	16-06-2021	AGM	9	1	0	8
FORESIGHT SOLAR FUND LIMITED	16-06-2021	AGM	14	11	0	3
INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA	16-06-2021	AGM	31	25	2	4
MEDICA GROUP PLC	16-06-2021	AGM	16	12	1	3
LIANHUA SUPERMARKET HOLDINGS	17-06-2021	AGM	7	6	0	1
PT ASTRA INTERNATIONAL TBK	17-06-2021	EGM	1	0	1	0
IBERDROLA SA	17-06-2021	AGM	27	23	2	2
TOTAL PRODUCE PLC	17-06-2021	EGM	5	4	0	1
SIME DARBY PLANTATION	17-06-2021	AGM	10	3	0	7
TOTAL PRODUCE PLC	17-06-2021	COURT	1	1	0	0
JIANGSU EXPRESSWAY COMPANY	17-06-2021	AGM	28	15	0	13
NTT DATA CORP	17-06-2021	AGM	16	14	0	2
BIZLINK HOLDING INC	17-06-2021	AGM	15	0	15	0
QUILTER PLC	17-06-2021	EGM	1	1	0	0
EVERLIGHT ELECTRONICS CO LTD	17-06-2021	AGM	14	0	14	0
WHITBREAD PLC	17-06-2021	AGM	22	18	1	3
CERES POWER HOLDINGS PLC	17-06-2021	AGM	9	5	3	1
PETROFAC LTD	17-06-2021	AGM	22	13	4	5
ASTELLAS PHARMA INC	18-06-2021	AGM	8	8	0	0
VALID SOLUCOES S.A.	18-06-2021	EGM	4	4	0	0
ALMIRALL SA	18-06-2021	EGM	5	5	0	0
GCL-POLY ENERGY HLDG LTD	18-06-2021	EGM	2	0	2	0
TAIYO NIPPON SANSO CORP	18-06-2021	AGM	13	10	0	3
EISAI CO LTD	18-06-2021	AGM	12	11	0	1
HTC CORPORATION	18-06-2021	AGM	5	0	5	0
FORMOSA CHEMICAL & FIBER	18-06-2021	AGM	20	0	20	0

ICG ENTERPRISE TRUST	21-06-2021	AGM	14	12	0	2
DAIICHI SANKYO COMPANY LTD	21-06-2021	AGM	15	15	0	0
NOMURA HOLDINGS INC	21-06-2021	AGM	12	12	0	0
NIDEC CORP	22-06-2021	AGM	5	5	0	0
COCA-COLA HBC AG	22-06-2021	AGM	26	13	2	11
NAN YA PLASTICS CORP	22-06-2021	AGM	5	2	1	2
MASTERCARD INCORPORATED	22-06-2021	AGM	19	10	1	8
VIVENDI SE	22-06-2021	AGM	30	12	0	18
DENSO CORP	22-06-2021	AGM	11	9	0	2
NEC CORP	22-06-2021	AGM	13	12	0	1
NIPPON SHOKUBAI CO LTD	22-06-2021	AGM	10	8	0	2
CHINA OVERSEAS LAND & INVEST	22-06-2021	AGM	11	4	1	6
LIXIL GROUP CORP	22-06-2021	AGM	11	11	0	0
EAST JAPAN RAILWAY CO	22-06-2021	AGM	14	13	0	1
ELLAKTOR SA	22-06-2021	AGM	12	6	0	6
SONY CORP	22-06-2021	AGM	12	12	0	0
DAIWA SECURITIES GROUP INC	23-06-2021	AGM	14	14	0	0
FOXCONN TECHNOLOGY CO LTD	23-06-2021	AGM	4	3	0	1
HON HAI PRECISION IND CO LTD	23-06-2021	AGM	3	0	3	0
BANCA POPOLARE EMILIA ROMAGNA	23-06-2021	EGM	4	2	1	1
MOTOR OIL CORINTH REFINERIES	23-06-2021	AGM	11	5	1	5
DIGNITY PLC	23-06-2021	AGM	12	5	1	6
WOODBOS LIMITED	23-06-2021	AGM	7	4	0	3
NIPPON STEEL CORP	23-06-2021	AGM	12	11	0	1
YOKOGAWA ELECTRIC CORP	23-06-2021	AGM	13	12	0	0
AJINOMOTO CO INC	23-06-2021	AGM	13	13	0	0
HONDA MOTOR CO LTD	23-06-2021	AGM	12	12	0	0
WEST JAPAN RAILWAY CO	23-06-2021	AGM	14	10	0	4

SEKISUI CHEMICAL CO LTD	23-06-2021	AGM	12	11	0	1
PROMOTORA Y OPERADORA DE INFRAESTRUCTURA	23-06-2021	EGM	2	2	0	0
MEDIASET SPA	23-06-2021	AGM	12	7	2	2
HITACHI LTD	23-06-2021	AGM	13	11	0	2
VERTU MOTORS PLC	23-06-2021	AGM	11	3	3	5
VELOCYS PLC	23-06-2021	AGM	13	9	1	3
FRESNILLO PLC	24-06-2021	AGM	23	16	2	5
TISCALI SPA	24-06-2021	AGM	10	6	2	1
SEINO HOLDINGS CO	24-06-2021	AGM	10	10	0	0
FANUC CORP	24-06-2021	AGM	16	15	0	1
THE NEW GERMANY FUND INC.	24-06-2021	AGM	4	3	0	1
THE KROGER CO.	24-06-2021	AGM	13	8	0	5
NIPPON TELEGRAPH & TELEPHONE	24-06-2021	AGM	4	4	0	0
RICOH CO LTD	24-06-2021	AGM	13	12	0	1
NSD CO LTD	24-06-2021	AGM	7	7	0	0
PANASONIC CORP	24-06-2021	AGM	16	16	0	0
SANGETSU CO LTD	24-06-2021	AGM	8	6	0	2
VPC SPECIALTY LENDING INVESTMENTS PLC	24-06-2021	AGM	14	12	0	2
GIANT MANUFACTURING CO LTD	24-06-2021	AGM	17	0	17	0
BIOPHARMA CREDIT PLC	24-06-2021	EGM	2	1	0	1
SUMITOMO BAKELITE CO LTD	24-06-2021	AGM	13	13	0	0
SOLTEC POWER HOLDINGS SA	24-06-2021	AGM	11	7	2	2
SDX ENERGY PLC	25-06-2021	AGM	12	6	0	6
ASAHI KASEI CORP	25-06-2021	AGM	11	11	0	0
AMADA CO LTD	25-06-2021	AGM	11	10	0	1
ULTRAPAR PARTICIPACOES SA	25-06-2021	EGM	1	1	0	0
ZTE CORP	25-06-2021	AGM	19	13	1	5
UDG HEALTHCARE PLC	25-06-2021	COURT	1	1	0	0



CHINA CONSTR BANK CORP	25-06-2021	AGM	8	6	0	2
COMPAL ELECTRONIC INC	25-06-2021	AGM	19	0	19	0
MITSUBISHI CORP	25-06-2021	AGM	12	11	0	1
UDG HEALTHCARE PLC	25-06-2021	EGM	3	2	0	1
SECOM CO LTD	25-06-2021	AGM	13	13	0	0
CHIBA BANK LTD	25-06-2021	AGM	12	11	0	1
SENKO GROUP HOLDINGS	25-06-2021	AGM	15	13	0	2
ENTAIN PLC	25-06-2021	AGM	21	13	1	7
SUZUKI MOTOR CO LTD	25-06-2021	AGM	11	10	0	1
TON YI INDUSTRIAL CORP	25-06-2021	AGM	5	0	5	0
HIROSE ELECTRIC CO LTD	25-06-2021	AGM	18	12	0	6
NSK LTD	25-06-2021	AGM	9	8	0	1
GINKO INTERNATIONAL	25-06-2021	AGM	16	0	16	0
TESCO PLC	25-06-2021	AGM	28	23	1	4
RADIUM LIFE TECH CO LTD	25-06-2021	AGM	4	0	4	0
FUJITSU LTD	28-06-2021	AGM	13	11	0	2
PENNON GROUP PLC	28-06-2021	EGM	7	5	0	2
MS&AD INS GROUP HLDGS INC	28-06-2021	AGM	15	14	0	1
TELE2 AB	28-06-2021	EGM	7	1	0	0
OBRASCON HUARTE LAIN SA	28-06-2021	AGM	21	15	1	4
TOKYO ELECTRIC POWER CO INC	29-06-2021	AGM	21	21	0	0
INTRALOT SA - INTEGRATED IT	29-06-2021	AGM	17	11	2	4
OJI HOLDINGS CORPORATION	29-06-2021	AGM	16	16	0	0
TECNICAS REUNIDAS	29-06-2021	AGM	19	14	0	4
NETSCOUT SYSTEMS INC	29-06-2021	AGM	14	14	0	0
MITSUBISHI UFJ FINANCIAL GRP	29-06-2021	AGM	23	22	1	0
FCC SA	29-06-2021	AGM	25	21	0	4
ACCIONA SA	29-06-2021	AGM	28	21	3	3

DONGFANG ELECTRIC CORP LTD	29-06-2021	CLASS	1	0	0	1
DONGFANG ELECTRIC CORP LTD	29-06-2021	AGM	17	11	1	5
FUJIFILM HLDGS CORP	29-06-2021	AGM	15	15	0	0
CHINA LONGYUAN POWER GROUP	29-06-2021	EGM	2	0	0	2
VOLVO AB	29-06-2021	EGM	7	1	0	0
MITSUBISHI ESTATE CO LTD	29-06-2021	AGM	16	16	0	0
MATSUMOTOKIYOSHI HLDGS CO	29-06-2021	AGM	25	23	2	0
MINEBEA CO LTD	29-06-2021	AGM	14	12	0	2
TOEI CO LTD	29-06-2021	AGM	4	3	0	1
DAIWA HOUSE INDUSTRY CO	29-06-2021	AGM	18	14	0	4
TAIHEIYO CEMENT CORP	29-06-2021	AGM	14	13	0	1
KAMIGUMI CO LTD	29-06-2021	AGM	13	10	0	3
SUMITOMO MITSUI FINANCIAL GROUP	29-06-2021	AGM	17	17	0	0
MURATA MANUFACTURING CO LTD	29-06-2021	AGM	10	10	0	0
ORIENTAL LAND CO LTD	29-06-2021	AGM	12	10	0	2
TOKYO GAS CO LTD	29-06-2021	AGM	12	12	0	0
MITSUBISHI LOGISTICS CORP	29-06-2021	AGM	15	12	0	3
TUNG THIH ELECTRONIC CO LTD	29-06-2021	AGM	6	0	6	0
TAKEDA PHARMACEUTICAL CO	29-06-2021	AGM	16	16	0	0
MEARS GROUP PLC	29-06-2021	AGM	16	5	2	9
NINTENDO CO LTD	29-06-2021	AGM	7	7	0	0
SAVANNAH PETROLEUM PLC	30-06-2021	AGM	6	2	1	3
BACANORA LITHIUM PLC	30-06-2021	AGM	9	3	0	6
CREO MEDICAL GROUP PLC	30-06-2021	AGM	7	4	1	2
MOTA-ENGIL SGPS SA	30-06-2021	AGM	12	8	0	4
CHINA LIFE INSURANCE (CHN)	30-06-2021	AGM	24	13	1	10
GOOD ENERGY GROUP PLC	30-06-2021	AGM	11	8	0	3
KINGFISHER PLC	30-06-2021	AGM	20	15	2	3

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PROVIDENT FINANCIAL PLC	30-06-2021	AGM	22	16	2	4
SUEZ SA	30-06-2021	AGM	16	11	0	5

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## 2 Notable Oppose Vote Results With Analysis

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

### DEUTSCHE TELEKOM AGM - 01-04-2021

#### 4. *Discharge the Supervisory Board*

Standard proposal. 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*

Results: For: 88.6, Abstain: 0.0, Oppose/Withhold: 11.4,

#### 9. *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: 72.7, Abstain: 0.0, Oppose/Withhold: 27.3,

#### 11. *Shareholder Resolution: Amend Articles Re: Shareholders' Right to Participation during the Virtual Meeting*

**Proponent's argument:** Shareholder Proposal Submitted by Deutsche Schutzvereinigung fuer Wertpapierbesitz e.V. (DSW).

It is proposed that § 16 (3) of the Articles of Incorporation of Deutsche Telekom AG shall be amended by adding a sentence 2 as follows: "If the shareholders' meeting is held as a virtual meeting, the shareholders shall be granted a right to request information in accordance with § 131 AktG as well as a right to speak in the shareholders' meeting": " Irrespective of the format in which the shareholders' meeting is held, it must be possible to ask questions at the shareholders' meeting and to receive answers to them, the formats of a shareholders' meeting must be technically neutral and equal in terms of shareholder rights. The right to request information and raise questions should not be restricted to queries in the stricter sense of the word but should also permit shareholders to raise questions who did not submit any questions in advance, and allow new topics to be discussed. Here, the Chairperson of the shareholders' meeting – in line with established case law – would also be able to restrict the rights of the shareholders to request information and speak in the shareholders' meeting at its due discretion in the virtual shareholders' meeting if it would otherwise not be possible to ensure a proper course of the shareholders' meeting."

**Company's response:** The board recommends a vote against the proposal: "The change to the Articles of Incorporation proposed by DSW intends to apply provisions of German stock corporation law that are tailored to conventional in-person shareholders' meetings to the virtual shareholders' meeting. However, this approach would endanger the proper direction of a virtual shareholders' meeting, which cannot be in the interest of the shareholders. As yet, there are no legal possibilities for designing a virtual shareholders' meeting that is largely the same as an in-person meeting and holding it in a legally watertight manner. Landgericht Köln (the Cologne District Court) made this clear in an indicative court order from February 26, 2021. In the opinion of the court, there are currently no standardized, legally compliant platforms for online shareholders' meetings that also meet the legal requirements for larger corporations. In contrast to DSW's assumption, which they do not substantiate, this means that without special statutory arrangements, the chair of a virtual shareholders' meeting does not have sufficient authority to ensure an orderly flow of the shareholders' meeting. For this reason, the change to the Articles of Incorporation proposed by DSW would also result in legal uncertainty."

**PIRC analysis:** Shareholders have the right to scrutinize the leadership of the company based on the financial results and the challenges that it has annually. By

not allow asking questions in a Shareholder Meeting this right of shareholders is compromised and is considered to be against best practice in corporate governance. Shareholders should have the right to ask questions to the board and senior management during a virtual meeting, as much as during a physical one. Support is recommended.

Vote Cast: *For*

Results: For: 45.5, Abstain: 0.0, Oppose/Withhold: 54.5,

## **BROADCOM INC AGM - 05-04-2021**

### *3. Amend 2012 Stock Incentive Plan*

It is proposed to amend the 2012 Stock Incentive Plan. The proposed 2012 Plan would see a reduced number of shares available for new equity award grants from over 100,000,000 shares to 20,000,000 shares, all employees being eligible to participate (including the CEO and other executives who are not currently eligible to receive equity awards under any equity compensation plan) and no fixed termination date. There would also be; no evergreen share replenishment provision; no repricing of underwater options without stockholder approval and no dividends payable on awards prior to vesting. The proposed plan is open to all employees on an equal basis, and it is considered corporate governance best practice to allow employees a chance to participate in and benefit from share ownership. A vote in favour is recommended.

Vote Cast: *For*

Results: For: 75.8, Abstain: 0.4, Oppose/Withhold: 23.8,

## **ZURICH INSURANCE GROUP AG AGM - 07-04-2021**

### *1.2. Approve Remuneration Report*

It is proposed to approve the remuneration report with an advisory 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 short term 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: 78.1, Abstain: 0.7, Oppose/Withhold: 21.3,

### *4.2.1. Elect Remuneration Committee Member: Michel M. Liès*

Independent Non-Executive Chair, candidate to the Remuneration Committee on this resolution. Support is recommended.

Vote Cast: *For*

Results: For: 87.8, Abstain: 0.3, Oppose/Withhold: 12.0,

### *4.2.2. Elect Remuneration Committee Member: Catherine Bessant*

Independent Non-Executive Director, candidate to the Remuneration Committee on this resolution. Support is recommended.

Vote Cast: *For*

Results: For: 87.4, Abstain: 0.3, Oppose/Withhold: 12.3,

#### 4.2.3. *Elect Remuneration Committee Member: Christoph Franz*

Independent Non-Executive Director, candidate to the Remuneration Committee on this resolution. Support is recommended.

Vote Cast: *For*

Results: For: 87.0, Abstain: 0.3, Oppose/Withhold: 12.7,

#### 4.2.4. *Elect Remuneration Committee Member: Kishore Mahbubani*

Independent Non-Executive Director, candidate to the Remuneration Committee on this resolution. Support is recommended.

Vote Cast: *For*

Results: For: 87.3, Abstain: 0.3, Oppose/Withhold: 12.4,

#### 4.2.5. *Elect Remuneration Committee Member: Jasmin Staiblin*

This director is considered to be independent. Support would be normally recommended. 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: 87.3, Abstain: 0.3, Oppose/Withhold: 12.4,

#### 5.2. *Approve Remuneration Policy of Executive Committee in the Amount of CHF 79.8 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 for Financial Year 2022 at CHF 79.8 million (CHF 78.2 million was proposed last year). This proposal includes fixed and variable remuneration components.

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: 86.9, Abstain: 0.7, Oppose/Withhold: 12.5,

#### 6. *Approve Extension of Authority to Increase Authorised Share Capital*

The authorized share capital pursuant to Art. 5bis of the Articles of Association which was granted by the Annual General Meeting 2020 is set to expire on April 1, 2022. The Board of Directors is authorized to increase the share capital by issuing up to 44,882,400 fully paid registered shares with a nominal value of CHF 0.10 each. The renewed authorization is valid for a period of 24 months. The authority is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

Results: For: 87.1, Abstain: 0.3, Oppose/Withhold: 12.6,

## SCHLUMBERGER N.V. (SCHLUMBERGER LIMITED) AGM - 07-04-2021

### [1.07. Elect Henri Seydoux - Non-Executive Director](#)

Non-Executive Director. Not considered independent owing to a tenure of over nine years. The director also has family ties to the founding Schlumberger brothers. Although there is a sufficient balance of independence on the board, it is noted that the director is a member of the remuneration committee which should consist wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 88.6, Abstain: 0.1, Oppose/Withhold: 11.3,

## UBS GROUP AG AGM - 08-04-2021

### [2. Advisory vote on the remuneration report](#)

It is proposed to approve the implementation of the remuneration report. 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: 85.7, Abstain: 1.0, Oppose/Withhold: 13.3,

### [8.2. Approve Variable Remuneration Policy of Executive Committee](#)

It is proposed to approve the cap of the variable compensation component of executive remuneration in the amount of CHF 85.3 Million. This appears to be consistently capped, but excessive, which is not 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 over payment against under performance. On balance, abstention is recommended.

Vote Cast: *Oppose*

Results: For: 84.8, Abstain: 0.5, Oppose/Withhold: 14.8,

## RM PLC AGM - 08-04-2021

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

The board is seeking shareholder approval of the remuneration policy. All elements of each director's cash remuneration and pension contributions are disclosed. Pay policy aims are fully explained in terms of the company's objectives. However, there is no evidence that pay elsewhere in the company is used in determining directors' pay. Maximum potential awards are stated but could exceed the recommended limit of 200% of base salary which is considered inappropriate. In addition, quantified description of performance conditions and targets has not been provided for the annual bonus and the LTIP as the company states that the non-disclosure is due to the COVID 19 pandemic. There is no evidence that dividend 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. Regarding contracts, it is noted each service contract is subject to earlier termination for cause. In exceptional circumstances, a longer notice period initially reducing down to 12 months, to secure the appointment of an executive recruitment may be agreed which is not considered appropriate. This can allow for excessive severance payments for Executives

appointed under these terms. Further, there are concerns that upside discretion may be applied while determining severance.

Rating: EDE.

Vote Cast: *Oppose*

Results: For: 76.2, Abstain: 12.7, Oppose/Withhold: 11.2,

## **FERROVIAL S.A. AGM - 08-04-2021**

### *8. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 84.4, Abstain: 0.5, Oppose/Withhold: 15.1,

### *9. Advisory vote on Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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: 82.1, Abstain: 2.8, Oppose/Withhold: 15.1,

## **RIO TINTO PLC AGM - 09-04-2021**

### *21. 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: 79.6, Abstain: 0.2, Oppose/Withhold: 20.2,

## **AIRBUS SE AGM - 14-04-2021**

### *4.7. Elect Maria Amparo Moraelda Martinez - Non-Executive Director*

Independent Non-Executive Director.



Vote Cast: *For*

Results: For: 86.9, Abstain: 0.1, Oppose/Withhold: 13.0,

4.9. *Elect Jean-Pierre Clamadieu - Non-Executive Director*  
Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 84.2, Abstain: 0.0, Oppose/Withhold: 15.7,

### **JULIUS BAER GRUPPE AG AGM - 14-04-2021**

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

It is proposed to approve the implementation of the remuneration report. 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: 85.6, Abstain: 3.6, Oppose/Withhold: 10.9,

### **SMITH & NEPHEW PLC AGM - 14-04-2021**

6. *Re-elect Robin Freestone - Senior Independent Director*  
Senior Independent Director. Considered independent.

Vote Cast: *For*

Results: For: 81.4, Abstain: 0.2, Oppose/Withhold: 18.4,

#### 11. *Re-elect Marc Owen - Non-Executive Director*

Independent Non-Executive Director. Responsible for sustainability issues at the company. As he 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: 87.5, Abstain: 0.8, Oppose/Withhold: 11.6,

### **CNH INDUSTRIAL NV AGM - 15-04-2021**

#### 3. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw

back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets 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: 72.5, Abstain: 1.1, Oppose/Withhold: 26.4,

4.g. *Re-appointment Alessandro Nasi - Non-Executive Director*  
Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 78.9, Abstain: 0.1, Oppose/Withhold: 21.0,

4.h. *Re-appointment Lorenzo Simonelli - Non-Executive Director*

This director has an attendance record of less than 90% for both Board and Committee meetings which they were eligible to attend during the year. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 88.0, Abstain: 0.0, Oppose/Withhold: 12.0,

4.i. *Re-appointment Vagn Sørensen - 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: 77.0, Abstain: 0.1, Oppose/Withhold: 23.0,

## UNICREDIT SPA AGM - 15-04-2021

### O.12. *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. In addition, the designated CEO will start with a salary on the high percentile of comparable companies (the company has not disclosed a list of peers, however) and the Board of Directors has approved a share-based award, representing the full variable remuneration for 2021, payable in two tranches, not subject to performance conditions, malus or claw-back, while subject to minimum prudential requirements at the time of payment. The company explains that this will allow the CEO to be compliant with the Group share ownership guidelines and will foster alignment with shareholders; however, it is considered to be hardly incentivizing, as it lacks performance conditions and can be classified as a golden hello. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 54.4, Abstain: 2.6, Oppose/Withhold: 42.9,

### O.13. *Approve Severance Payments Policy*

It is proposed that severance payments do not exceed 24 months of total remuneration, that the portion of such payments additional to notice does not in any case exceed 18 months of remuneration and that the maximum limit for termination pay remains at 6 times the fixed compensation, without the possibility of exceptions.

Only the maximum absolute amount is increased from EUR 7.2 million to EUR It is welcomed that shareholders have the opportunity to vote on severance policy, separately from the remuneration policy. However, it is considered that severance payments in this market should not exceed 24 months of fixed salary. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 73.1, Abstain: 0.3, Oppose/Withhold: 26.7,

## **FERRARI NV AGM - 15-04-2021**

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

It is proposed to approve the implementation of the remuneration report. 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: 86.9, Abstain: 0.1, Oppose/Withhold: 13.0,

### *2.f. Discharge the Board*

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

Vote Cast: *For*

Results: For: 89.3, Abstain: 0.7, Oppose/Withhold: 10.0,

### *3.i. Elect Adam Keswick - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 78.0, Abstain: 0.0, Oppose/Withhold: 21.9,

### *5.3. Issue Special Voting Shares*

The Board seeks the authority to issue shares with special voting rights. Special voting rights are given to ordinary shareholders who hold shares for more than three years and carry voting rights but no dividend. Such shares are considered a deviation from best practice (as carrying more voting rights without the equivalent investment) and resolutions to create such a class of shares would be opposed. However, in this case, this resolutions is not actually an allocation of shares, rather requesting authority to issue shares in order to fulfil the rights of those shareholders whose three-year lock-up period is coming to end during the year. Support is recommended.

Vote Cast: *For*

Results: For: 69.7, Abstain: 0.1, Oppose/Withhold: 30.3,

**STELLANTIS N.V. AGM - 15-04-2021****2.c. Approve the Remuneration Report**

It is proposed to approve the implementation of the remuneration report. 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, the claw back clauses in place are considered inadequate as they only apply to financial misstatement, which is against best practices.

Executives will receive an annual bonus, although the company has reported to have laid off staff due to the consequences the outbreak of the COVID-19 public health crisis in 2020. It is considered that paying management bonuses to the detriment of workers does not provide alignment with stakeholder interests, which is what variable remuneration schemes are supposed to achieve.

Vote Cast: *Oppose*

Results: For: 49.2, Abstain: 11.9, Oppose/Withhold: 38.9,

**2.f. Discharge the Board**

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

Vote Cast: *For*

Results: For: 87.5, Abstain: 1.9, Oppose/Withhold: 10.6,

**4.a. Approve Remuneration Policy**

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. There are claw-back clauses in place over the entirety of the variable remuneration component, which is welcomed. However, based on excessiveness concerns, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 72.4, Abstain: 17.2, Oppose/Withhold: 10.4,

**4.b. Approve New Executive Share Plan**

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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

Vote Cast: *Oppose*

Results: For: 53.7, Abstain: 9.2, Oppose/Withhold: 37.1,

**LVMH (MOET HENNESSY - LOUIS VUITTON) SE AGM - 15-04-2021****O.4. *Approve Auditors' Special Report on Related-Party Transactions***

At its meeting of January 28, 2020, the Board of Directors tasked Sophie Chassat with conducting a study and a review into the raison d'être (purpose) of the Company. The Board of Directors decided to allocate exceptional compensation to Sophie Chassat in the amount of 25,000 euros, payable in two equal installments, one at the end of April 2020 and the other upon completion of the assignment. Accordingly, in 2020 the Company paid exceptional compensation in the amount of 25,000 euros to Sophie Chassat. Sophie Chassat is currently a member of the board of directors. It is considered that the review the corporate purpose of the Company is part of the responsibilities of members of the Board of Directors. As such, additional compensation for the realisation of this task is not warranted. Additional payment beyond fixed director's fees is also against best practice. For these reasons, opposition to this resolution is recommended.

Vote Cast: *Oppose*

Results: For: 83.2, Abstain: 0.1, Oppose/Withhold: 16.7,

**O.6. *Elect Nicolas Bazire - Executive Director***

Executive Director. Support recommended.

Vote Cast: *For*

Results: For: 78.6, Abstain: 2.4, Oppose/Withhold: 19.1,

**O.7. *Elect Charles de Croisset - Senior Independent Director***

Lead Independent Director. Not considered independent owing to a tenure of more than nine years. It is considered that a Lead 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: 85.8, Abstain: 0.5, Oppose/Withhold: 13.7,

**O.11. *Approve Amendment of Remuneration Policy of Executive Corporate Officers Re: FY 2020***

It is proposed to amend the Policy of Corporate Officers to account for the COVID-19 pandemic. It is proposed to vest 50% of the performance remuneration despite the fact that the performance conditions were not met. On these grounds opposition is recommended.

Vote Cast: *Oppose*

Results: For: 82.3, Abstain: 0.1, Oppose/Withhold: 17.6,

**O.12. *Approve Compensation of Corporate Officers***

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

Vote Cast: *Oppose*

Results: For: 85.0, Abstain: 0.5, Oppose/Withhold: 14.5,

**O.13. *Approve Compensation of Bernard Arnault, Chairman and CEO***

It is proposed to approve the remuneration paid or due to Bernard Arnault, Chair and CEO with an advisory vote. The payout is in line with best practice, under 200%

of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 83.0, Abstain: 0.5, Oppose/Withhold: 16.5,

#### *O.14. Approve Compensation of Antonio Belloni, Vice-CEO*

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

Vote Cast: *Oppose*

Results: For: 83.0, Abstain: 0.7, Oppose/Withhold: 16.3,

#### *O.16. Approve Remuneration Policy of Chairman and CEO*

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

Vote Cast: *Oppose*

Results: For: 78.1, Abstain: 0.1, Oppose/Withhold: 21.8,

#### *O.17. Approve Remuneration Policy of Vice-CEO*

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

Vote Cast: *Oppose*

Results: For: 78.4, Abstain: 0.3, Oppose/Withhold: 21.2,

#### *E.22. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 20 Million*

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

Vote Cast: *Oppose*

Results: For: 81.4, Abstain: 0.5, Oppose/Withhold: 18.1,

#### *E.23. Approve Issuance of Equity or Equity-Linked Securities for Qualified Investors, up to Aggregate Nominal Amount of EUR 20 Million*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12

months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

Results: For: 80.3, Abstain: 0.5, Oppose/Withhold: 19.2,

#### *E.24. Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Above*

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

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

Vote Cast: *Oppose*

Results: For: 80.4, Abstain: 0.6, Oppose/Withhold: 19.0,

#### *E.25. Approve authority to increase authorised share capital for future exchange offers*

Authority is sought to increase the authorised share capital of the Company up to xxx. At this time, the company has not disclosed whether successive increases would be carried out with or without pre-emptive rights. As such, the aggregate authority may exceed recommended limits for issues with or without pre-emptive rights. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 80.7, Abstain: 0.5, Oppose/Withhold: 18.8,

#### *E.27. Authorize up to 1 Percent of Issued Capital for Use in Stock Option Plans*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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: 83.0, Abstain: 0.5, Oppose/Withhold: 16.5,

## **NESTLE SA AGM - 15-04-2021**

### *1.2. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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: 86.8, Abstain: 0.8, Oppose/Withhold: 12.4,

4.1.i. *Re-Elect Kasper Rorsted - Non-Executive Director*  
Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 61.7, Abstain: 0.4, Oppose/Withhold: 37.9,

4.3.4. *Appoint Kasper Rorsted as Member of the Compensation Committee*

Independent Non-Executive Director, candidate to the Remuneration Committee on this resolution. Support is recommended.

Vote Cast: *For*

Results: For: 65.2, Abstain: 0.5, Oppose/Withhold: 34.3,

## SWISS RE AGM - 16-04-2021

1.1. *Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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: 74.8, Abstain: 2.0, Oppose/Withhold: 23.2,

3. *Approve Variable Short-Term Remuneration of Executive Committee*

The Board of Directors proposes the approval of the aggregate amount of variable short-term compensation for the members of the Group Executive Committee. It is proposed to fix the remuneration of members of the Executive Committee until next AGM at CHF 15.1 million (CHF 14.1 million were paid for the year under review). The Company submitted two separate proposals for Executives fixed and variable remuneration, which is welcomed. With this separation, if shareholders rejected the variable compensation at a future potential retrospective proposal, the Company may nevertheless pay fixed salaries. The Ordinance Against Excessive Payments provides that if compensation is not approved, it may not be paid.

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, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 88.7, Abstain: 0.8, Oppose/Withhold: 10.6,

5.2.1. *Reappoint Remuneration Committee Member: Raymond Ch'ien*

Non-Executive Director, candidate to the Remuneration Committee on this resolution. Not considered independent owing to a tenure of over nine years. It is considered that the Remuneration Committee should consist exclusively of independent members. Opposition is recommended.



Vote Cast: *Oppose*

Results: For: 82.7, Abstain: 0.5, Oppose/Withhold: 16.8,

#### 5.2.2. *Reappoint Remuneration Committee Member: Renato Fassbind*

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: 85.2, Abstain: 0.5, Oppose/Withhold: 14.3,

#### 5.2.3. *Reappoint Remuneration Committee Member: Karen Gavan*

Independent Non-Executive Director, candidate to the Remuneration Committee on this resolution. Support is recommended.

Vote Cast: *For*

Results: For: 86.2, Abstain: 0.4, Oppose/Withhold: 13.3,

#### 5.2.4. *Reappoint Remuneration Committee Member: Joerg Reinhardt*

Independent Non-Executive Director, candidate to the Remuneration Committee on this resolution. Support is recommended.

Vote Cast: *For*

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

#### 5.2.5. *Reappoint Remuneration Committee Chair: Jacques de Vaucleroy*

This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 85.2, Abstain: 0.5, Oppose/Withhold: 14.3,

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

The Company is seeking approval of a retrospective remuneration proposal. The proposed amount will be paid to non-executive directors. The proposal of CHF 10.3 Million (last year: 10.3 million) is within the cap approved at the previous AGM. It is proposed to increase the amount payable to the Board of Directors by less than 10% on annual basis. Within recommended guidelines.

Vote Cast: *For*

Results: For: 87.3, Abstain: 0.7, Oppose/Withhold: 11.9,

#### 6.2. *Approve Fixed and Variable Long-Term Remuneration*

It is proposed to fix the remuneration of members of the Executive Committee for 2021 at CHF 36.5 million (CHF 37.7 million proposed in previous year). This proposal includes fixed and long-term variable remuneration components.

The Company has submitted its compensation structure to an advisory vote, which is recommended by the local Corporate Governance Code. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 88.1, Abstain: 0.8, Oppose/Withhold: 11.1,

### CARRIER GLOBAL CORP AGM - 19-04-2021

1b. *Elect Jean-Pierre Garnier - Senior Independent Director*

Lead Independent Director. Considered independent.

Vote Cast: *For*

Results: For: 85.6, Abstain: 0.2, Oppose/Withhold: 14.3,

### LOREAL SA AGM - 20-04-2021

O.14. *Approve Remuneration Policy for Chair of the Board (from 01/05/2021)*

Fees payable to the Chair of the Board does not include variable compensation. Acceptable Proposal.

Vote Cast: *For*

Results: For: 88.8, Abstain: 0.2, Oppose/Withhold: 10.9,

O.15. *Suspension of Nicolas Hierominus' Previous Employment Contract*

It is proposed that Mr Nicolas Hierominus will continue to benefit, under his suspended employment contract, from the "Garantie de Ressources des Retraites Anciens Cadres Dirigeants" (Retirement Income Guarantee for Former Senior Managers) scheme closed to new members effective from 31 December 2015. The Board of Directors does not wish for Mr Nicolas Hieronimus, having accepted the office of Chief Executive Officer after a 34-year career with L'Oréal, to be deprived of the benefits to which he would have continued to be entitled had he remained an employee. The Board of Directors believes that the objective pursued by the AFEP-MEDEF recommendation can be fully achieved by maintaining the suspension of the employment contract and clearly separating the benefits related to the corporate office from those relating to the employment contract. However, it is not considered appropriate that the CEO should continue to benefit from a program that benefits employees, while also benefiting from the provisions for his position as a corporate officer. On this basis, opposition to the resolution is recommended.

Vote Cast: *For*

Results: For: 84.5, Abstain: 0.7, Oppose/Withhold: 14.8,

### BANK OF AMERICA CORPORATION AGM - 20-04-2021

5. *Description Shareholder Resolution: Proxy Access*

**Proponent's argument:** John Chevedden proposes that the board of directors take the steps necessary to enable as many shareholders as may be needed to aggregate their shares to equal 3% of our stock owned continuously for 3-years in order to enable shareholder proxy access. The current arbitrary ration of 20 shareholders to initiate shareholder proxy access can be called Catch-22 Proxy Access. In order to assemble a group of 20 shareholders, who have owned 3% of the stock for an unbroken 3-years, one would reasonably need to start with about 60 activist shareholders who own 9% of BAC stock for an unbroken 3-years because initiating proxy access is a complicated process that is easily susceptible to errors and dropouts.

**Company's response:** The board recommends a vote against: "The proposal requests that the Board amend our proxy access Bylaw to eliminate the limit on the number of shareholders that can aggregate their common stock ownership to meet our minimum stock ownership threshold. Because our proxy access Bylaw already

provides our shareholders with a meaningful role in the nomination and election of directors, and aligns with current market practice, and in light of our long-standing commitment to strong corporate governance and shareholder engagement, we believe the changes requested by the proposal are unnecessary and contrary to our shareholders' interests. Moreover, we note that in each of the past two years, the proponent has submitted a proposal requesting changes to our proxy access right and each year shareholders have resoundingly rejected the requested changes. "

**PIRC analysis:** The move, which would strengthen shareholder democracy is supported; and it is considered that the proposal would help to increase independent representation on the Board. The requested threshold for holding requirement for nominators is considered sufficient. Furthermore, the nomination of new Board members would facilitate greater independence in the oversight of the Company. Support is therefore recommended.

*Vote Cast: For*

*Results: For: 24.8, Abstain: 1.3, Oppose/Withhold: 73.9,*

#### *6. Shareholder Resolution: Written Consent*

**Proponent's argument:** Kenneth Steiner requests that the board of directors take such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. This proposal topic won 95%-support at a Dover Corporation shareholder meeting and 88%-support at an AT&T shareholder meeting. Taking action by written consent in place of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director. For instance a new director could be elected to replace directors who receive substantial negative votes. In 2020 Maria Zuber received 407 million negative votes. According to the argument in the 2020 BAC proxy management should be in favor of this proposal. Management said that given a choice shareholders are better served by calling for a special meeting than by acting by written consent.

**Company's response:** The board recommends a vote against: "We believe that matters requiring shareholder approval should be presented to, and voted on, by all shareholders. Unlike matters presented for vote at a shareholder meeting, shareholder action by written consent may not require communication to all shareholders, and may deny shareholders the ability to participate in major decisions affecting the company and their interests. A shareholder seeking action by written consent may attempt to solicit the fewest possible shareholders to take action, rather than seeking input from all shareholders, and may rely on consents obtained from some shareholders before other shareholders have had the ability to evaluate a proposal, express their views, and vote. Action by written consent thereby can disenfranchise shareholders who are not given the opportunity to vote. In contrast, when shareholders can act at a special or annual meeting of shareholders, all shareholders receive advance notice of the meeting and have clearly established times during which they can evaluate the issues, engage with the company and other shareholders, communicate their views, and vote. Moreover, permitting shareholder action by written consent could create confusion and disruption, as multiple shareholders could solicit written consents at any time on a wide range of issues, which may duplicate or conflict with other proposals. While the proponent has criticized virtual shareholder meetings as undermining the benefits of acting through a shareholder meeting, the proponent fails to consider most of the procedural benefits leading up to a meeting that we describe above, which may not be available when shareholders seek to act by written consent. In addition, at our 2021 annual meeting that will be held virtually, shareholders will have an opportunity to participate in question and answer sessions regarding the management and shareholder proposals contained in this proxy statement, as well as other relevant topics of concern to shareholders. This opportunity to engage with the company and hear views of other shareholders would not be available when shareholders seek to act by written consent. Shareholders owning 10% of our common shares already have the meaningful ability to call a special meeting of shareholders outside of the annual meeting cycle, and shareholders owning 3% of our common shares already have the ability to nominate a candidate for election to our Board through our proxy access Bylaw provision."

**PIRC analysis:** While there are emergency situations where convening a special meeting might take too long, and written consents may be gathered more quickly, since the company has strong special meeting rights – the ability of shareholders to call one with 10% of shareholders, written consent rights are not as important. A vote against the resolution is recommended because the right of shareholders to act by written consent could lead to minority shareholders losing the ability to have their say on matters affecting the company.

*Vote Cast: Oppose*

*Results: For: 26.2, Abstain: 1.3, Oppose/Withhold: 72.5,*

### *7. Shareholder Resolution: Approve Change in Organizational Form*

**Proponent's argument:** John Harrington proposes that the Board approves an amendment to the Company's Restated Certificate of Incorporation to become a Public Benefit Corporation pursuant to Delaware law and to submit the proposed amendment to the shareholders for approval. Such a change would enable the company to operate in a responsible and sustainable manner that balances the stockholders' pecuniary interests, and the best interests of those stakeholders affected by the corporation's conduct. The Board, in its discretion, [may] consider stating a public purpose in the amended certificate that reflects a forward looking vision regarding the company's impacts on stakeholders. For example, the purpose in the certificate could be stated as "providing fair, inclusive and equitable access to financial services in a diverse world."

**Company's response:** The board recommends a vote against the proposal: "We operate our company in a responsible and sustainable manner that balances our shareholders' interests, and the interests of those stakeholders affected by our company's conduct, and we do not need to undergo a change in corporate form to deliver Responsible Growth. The proposal claims that undergoing the corporate transformation to a Delaware public benefit corporation "would enable the company to operate in a responsible and sustainable manner that balances the [share]holders' pecuniary interests, and the best interests of those stakeholders affected by the corporation's conduct." At Bank of America, we believe we must continue to serve our clients, deliver great returns for shareholders, be a great place to work for teammates AND help drive progress on societal priorities in the communities in which we operate. As we have demonstrated and disclosed throughout this proxy statement, we are already operating the company "in a responsible and sustainable manner"-that reflects the core proposition to Responsible Growth. Going through the expense and efforts to radically change our corporate form would not improve our ability to drive and deliver Responsible Growth. Further, as we note below, there is considerable risk involved in changing our corporate form to a public benefit corporation. We and our stakeholders are better served by continuing our focus on delivering Responsible Growth rather than undertaking the risky experiment the proponent advocates."

**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: 2.6, Abstain: 1.5, Oppose/Withhold: 96.0,*

### *8. Shareholder Resolution: Request on Racial Equity Audit.*

**Proponent's argument:** CtW Investment Group proposes that shareholders of Bank of America Corporation ("BofA") urge the Board of Directors to oversee a racial equity audit analyzing BofA's adverse impacts on nonwhite stakeholders and communities of color. 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 BofA's website: "High-profile police killings of Black people-most recently George Floyd-have galvanized the movement for racial justice. That movement, together with the disproportionate impacts of the COVID-19 pandemic have focused the attention of the media, the public, and policy makers on systemic racism, racialized violence and inequities in employment, health care, and the criminal justice system. In June 2020, BofA CEO Brian Moynahan [sic] noted the urgency in addressing "racial injustices we have seen in the communities where we work and live ...." BofA has committed \$1 billion over four years to address issues like healthcare, jobs, supporting minority owned small businesses, and housing."

**Company's response:** The board recommends a vote against the proposal: "Our company is committed to making certain that our policies, practices, products, and programs align to advance our purpose of making our customers' financial lives better. We achieve our purpose by pursuing Responsible Growth, which entails growing and winning in the marketplace by remaining committed to our customer-focused strategy and managing risk well. Responsible Growth is discussed in more detail elsewhere in this proxy statement and on our company's website.(1) Responsible Growth must be sustainable and we address this across three areas: sharing our success, including through our focus on ESG leadership; being a great place to work for our teammates; and driving operational excellence so that we can continue to invest in our employees and our capabilities. As described in our 2020 Human Capital Management Report,(2) we have implemented a wide range of programs and

benefits to support our teammates and their families, in keeping with our commitment to invest in the people who serve our clients and live and work in the communities we serve across the U.S. and around the world. Our Board and ESG Committee are actively engaged in the oversight of our ESG programs and strengthening our ESG practices to support Responsible Growth. Our Board and company management have established internal governance policies to improve transparency in our products and business practices, while actively helping clients access the capital they need to achieve their goals, working to develop our communities, and fostering economic mobility."

**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: 26.1, Abstain: 1.6, Oppose/Withhold: 72.3,

## THE COCA-COLA COMPANY AGM - 20-04-2021

### 1.5. *Elect Barry Diller - 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: 0.3, Oppose/Withhold: 14.0,

### 4. *Shareholder Resolution: Report on Sugar and Public Health*

**Proponent's argument:** Harrington Investments propose that the board of directors issue a report on Sugar and Public Health, with support from a group of independent and nationally recognized scientists and scholars providing critical feedback on our Company's sugar products marketed to consumers, especially those Coke products targeted to children and young consumers. Such report to shareholders should be produced at reasonable expense, exclude proprietary or legally privileged information and be published no later than November 1st, 2021 and include an assessment of risks to the company's finances and reputation associated with changing scientific understanding of the role of sugar in disease causation: "As the world grapples with COVID-19, many underlying health conditions suspected of making people vulnerable to the pandemic are also associated with elevated dietary intake of sugar: obesity, hypertension, cardiovascular disease, diabetes, and chronic kidney and liver diseases. Therefore, our Company's sugary drinks may be associated with two national health epidemics - sugar related illnesses and vulnerability to the pandemic. Moreover, the pandemic has highlighted issues of disproportionate health impacts of COVID-19 on people of color. The beverage industry has reportedly spent millions of dollars on targeted advertising of sugary drinks to Black, Hispanic, Latino, and Indigenous youth. With the rise of diabetes in youth, the American Academy of Pediatrics released a policy statement a decade ago, calling for a total ban on child-targeted and interactive junk food advertising. Yet our Company continues to market sugary drinks with advertising detrimentally influencing children's food preferences and health."

**Company's response:** The board recommends a vote against the resolution: "This report already exists. An additional report would not provide added value or information for our stakeholders beyond what is already present or available. The Access to Nutrition Foundation (the "ATNF"), a respected independent nonprofit organization, based in the Netherlands and funded by third parties, such as the Bill & Melinda Gates Foundation, the Dutch Ministry of Foreign Affairs, the UK Department for International Development and the Robert Wood Johnson Foundation, already produces credible reports covering our Company that encompass sugar and public health, which address the essential objectives sought by the proposal. The ATNF hosts the "Access to Nutrition Index" and prominently addresses sugar

in its reports, which is the ATNF's key focus regarding the Company. The Global Index was first released in 2013 and was updated in 2016 and 2018, each time with input from the Company, and assesses the Company's policies and products with regard to nutrition and sugar, in particular. Part of the value of the ATNF's findings in this report is that the Company now has a benchmark and improved awareness of where it stands compared to other manufacturers in the food and beverage industry. Throughout 2020, the Company engaged with ATNF to submit data and information for the preparation of the next index due to be released in 2021. [...] We continue to make progress on sugar reduction in our beverages by changing our recipes to reduce added sugar as well as by using our marketing resources and distribution network to boost awareness of, and interest in, our ever-expanding portfolio of low- and no-calorie beverages and smaller packaging options. We have also been accelerating the expansion of beverage options across our portfolio, such as tea, dairy and plant-based beverages, juice, water and coffee, including less sweet beverages. "

**PIRC analysis:** The requested report will provide shareholders with information on the company's efforts in relation to healthy nutrition and will ask the company to link this directly with financial outcomes for its customers and the health system overall.. The Although not directly in scope of this resolution, the recent outbreak of COVID-19 has shown as health concerns should not be considered privately (i.e. only related to individuals or to a group of individuals). Looking forward to a stakeholder-wide approach, it is considered appropriate that the company reports on the consequences of its products for its customers and public health overall. This would enable investors to assess the company's exposure to this reputational risk. The request for a report is considered reasonable and a vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 9.2, Abstain: 1.2, Oppose/Withhold: 89.7,

## RECORDATI SPA AGM - 20-04-2021

### 2A. Approve Remuneration Policy

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 84.1, Abstain: 1.7, Oppose/Withhold: 14.2,

### 3. Approve Stock Option Plan

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted stock options, each of which will give right to one share. This plan is characterised by the following new features compared to the previous 2018-2020 Stock Option Plan (which will remain in force to regulate the grant of options occurred in August 2018): three-year vesting period (vesting of all options after no less than 36 months from the grant date); the grant of options on an annual basis (so-called 'rolling' approach); the introduction of a different performance condition, determined with reference to the Adjusted Net Income cumulated over a three-year period, the achievement of which is necessary for the vesting and therefore for exercising the options for each cycle of the Plan; the introduction, for beneficiaries who are members of Recordati's top management, of a lock-up clause on 50% of the shares coming from options which have been exercised (and resulting after the sale of the shares necessary to cover the payment of the exercise price and the legal charges connected with the exercise of the options) for a period of 2 years from the vesting date; the introduction of an acceleration clause in case of change-of-control followed by delisting of the Company;

Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. The vesting of three years is also considered to be short-term. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than

the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 75.6, Abstain: 1.4, Oppose/Withhold: 23.0,

## THE BOEING COMPANY AGM - 20-04-2021

### 1d. *Elect Edmund P. Giambastiani Jr. - Non-Executive Director*

Non-Executive Director. It is noted that this director received a significant number of oppose votes of 35.31% at the 2020 AGM. Not considered independent owing to a tenure of over nine years. Although, there is sufficient independent representation on the Board, it is noted there are concerns over the director's potential aggregate time commitments and the director cannot prove full attendance at board and committee meetings he was eligible to attend during the year under review. On balance, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 85.6, Abstain: 1.7, Oppose/Withhold: 12.7,

### 1g. *Elect Lawrence W. Kellner - Chair (Non Executive)*

Non-Executive Chair. It is noted that the chair received a significant number of oppose votes of 25.82% at the 2020 AGM. Not considered independent owing to a tenure of over nine years. 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. There are also concerns over the director's potential aggregate time commitments and the director cannot prove full attendance at board and committee meetings he was eligible to attend during the year under review.

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 the concerns over the Company's sustainability policies and practice in addition to other concerns identified above, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 82.1, Abstain: 1.6, Oppose/Withhold: 16.3,

## 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: ADC. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.4, Abstain: 2.1, Oppose/Withhold: 10.5,

## 4. *Shareholder Resolution: Additional Report on Lobbying Activities*

**Proponent's argument:** It is proposed that the board prepares a report, updated annually, disclosing: 1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications. 2. Payments by Boeing 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. Boeing's membership in and payments to any tax-exempt organization that writes and endorses model legislation. 4. Description of management's and the Board's decision-making process and oversight for making payments described above. For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects

a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Boeing is a member. Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels. The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Boeing's website.

**Company's response:** The board recommends a vote against the proposal: "We believe that vigorous engagement in public policy debates at the federal, state, and local levels is critical to Boeing's long-term success. We also work with trade, industry, and civic groups that provide technical, business, professional, and related expertise. However, as stated above, the Board believes that these activities must always be transparent and reflect our values.[...] We also have a record of maintaining extensive policies and procedures with respect to our lobbying and advocacy activities, including: Boeing makes publicly available reports that detail all Boeing lobbying expenditures, issues lobbied on, government entities lobbied, Company lobbyists, and expenditures of The Boeing Political Action Committee, a voluntary, non-partisan, employee-sponsored political action committee; Boeing's website describes policies and procedures for Company political contributions, including Board oversight procedures and other internal authorizations required before contributions may be made; Boeing's Executive Vice President, Government Operations, reports regularly to the Board on Boeing's lobbying and other advocacy activities; Boeing has not made any contributions from corporate funds to state or local candidates, political parties, or ballot initiatives in the last eight years, and Boeing has currently paused all contributions from its political action committee; and Boeing prohibits trade associations and other third-party organizations from using Boeing's funds for any election-related political expenditure. In addition, we continue to seek ways to extend and enhance our commitment to transparency in this area. Recent actions we've taken include: In 2020, the Company began disclosing the names of trade associations to which Boeing paid dues of \$50,000 or more during the prior year. In 2021, we intend to enhance our website to make it even more user friendly. Finally, on January 13, 2021, the Company announced the pause of political contributions from The Boeing Political Action Committee in light of the events of January 6, 2021. While we acknowledge that this proposal's focus is on political advocacy rather than direct political contributions, the Board believes that this suspension reflects the Company's deep understanding of the importance of always conducting its activities in this area in a responsible and transparent manner."

**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: 36.4, Abstain: 1.9, Oppose/Withhold: 61.7,

##### *5. Shareholder Resolution: Written Consent*

**Proponent's argument:** Shareholders request that the board of directors take the steps necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This written consent is to give shareholders the fullest power to act by written consent consistent with applicable law. This includes shareholder ability to initiate any appropriate topic for written consent.

**Company's response:** The board recommends a vote against this resolution: "The Board believes that all shareholders should be permitted to discuss and vote on pending shareholder actions. Action by written consent would circumvent the important deliberative process of a shareholder meeting. Indeed, if this proposal is adopted, up to 49% of Boeing shareholders could be prevented from voting, or even receiving information, on important pending actions. Shareholder meetings, by contrast, offer important protections and advantages that are absent from the written consent process under this proposal. An unfettered right to act by written consent could also encourage short-term stock ownership and manipulation, allowing a small group of shareholders to quietly accumulate large voting positions (including in derivative transactions) and take important corporate action without the waiting periods, disclosure rules, and other protections inherent in the shareholder meeting and voting process. [...] Our By-Laws permit holders of 25% or more of Boeing's shares to call a special shareholder meeting. The Board believes that this right to call a special meeting, as well as the right to propose items for consideration at our annual meeting, are transparent and equitable ways for shareholders to propose action by their fellow shareholders. "



**PIRC analysis:** There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Since the company has weak or no special meeting rights, written consent rights are very important. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 35.2, Abstain: 2.2, Oppose/Withhold: 62.6,

### **BUNZL PLC AGM - 21-04-2021**

#### *3. Re-elect Peter Ventress - Chair (Non Executive)*

Chair. Independent upon appointment.

It is not clear from company reporting that the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards, are being sufficiently addressed and acted upon. As Chair of the nomination committee, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 87.7, Abstain: 1.0, Oppose/Withhold: 11.3,

#### *8. Re-elect Stephan Nanninga - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 75.1, Abstain: 4.0, Oppose/Withhold: 20.9,

#### *9. Elect Vin Murria - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 70.1, Abstain: 7.3, Oppose/Withhold: 22.6,

### **SERCO GROUP PLC AGM - 21-04-2021**

#### *19. Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 100,000. 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. Although this is within recommended limits, it is noted this resolution registered a significant number of oppose votes of 17.78% at the 2019 AGM which has not been adequately addressed. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 87.3, Abstain: 0.1, Oppose/Withhold: 12.6,

## HUNTING PLC AGM - 21-04-2021

### 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. The CEO's salary is in the median of the Company's comparator group.

**Balance:**The balance of CEO realized pay with financial performance is unacceptable 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 position of CEO amounted to approximately 34.9% of salary, which is not considered excessive and is in line with the limit of 200% of salary. The ratio of CEO pay compared to average employee pay is 16:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 81.1, Abstain: 0.2, Oppose/Withhold: 18.7,

## VEOLIA ENVIRONNEMENT SA AGM - 22-04-2021

### O.8. *Elect Pierre-André de Chalendar - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 81.4, Abstain: 0.0, Oppose/Withhold: 18.5,

### O.9. *Approve Amendment of the Economic Performance Criterion Related to the Acquisition of Performance Shares Allocated to the Chairman and CEO under Plan 1*

It is proposed to reduce the weighting of Economic criteria in the allocation of performance shares under the long term incentive plan. Specifically, by 33.33% for the 2018 plan and by 16.66 for the 2019 and 2020 plans. The proposal is based on the impact of the Coronavirus Pandemic. Additionally, the number of rights vested in 2020 are to be reduce by 30% under the current. However, the conditions under which the performance units will be reallocated and the criteria that would account for the reduction of the economic measures are not clearly disclosed. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 61.7, Abstain: 1.5, Oppose/Withhold: 36.9,

### O.10. *Approve Amendment of the Economic Performance Criterion Related to the Acquisition of Performance Shares Allocated to the Chairman and CEO under Plan No. 2*

It is proposed to reduce the weighting of Economic criteria in the allocation of performance shares under the long term incentive plan. Specifically, by 33.33% for the 2018 plan and by 16.66 for the 2019 and 2020 plans. The proposal is based on the impact of the Coronavirus Pandemic. Additionally, the number of rights vested in 2020 are to be reduce by 30% under the current. However, the conditions under which the performance units will be reallocated and the criteria that would account for the reduction of the economic measures are not clearly disclosed. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 89.1, Abstain: 0.0, Oppose/Withhold: 10.9,

### O.11. *Approve Amendment of the Economic Performance Criterion Related to the Acquisition of Performance Shares Allocated to the Chairman and CEO under Plan No. 3*

It is proposed to reduce the weighting of Economic criteria in the allocation of performance shares under the long term incentive plan. Specifically, by 33.33% for the

2018 plan and by 16.66 for the 2019 and 2020 plans. The proposal is based on the impact of the Coronavirus Pandemic. Additionally, the number of rights vested in 2020 are to be reduce by 30% under the current. However, the conditions under which the performance units will be reallocated and the criteria that would account for the reduction of the economic measures are not clearly disclosed. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 89.1, Abstain: 0.0, Oppose/Withhold: 10.8,

#### *O.12. Approve Compensation of Antoine Frerot, Chairman and CEO*

It is proposed to approve the remuneration of the CEO and Chair. 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 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 difficult to reclaim any variable remuneration unfairly paid out. On these bases, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 60.7, Abstain: 0.3, Oppose/Withhold: 39.0,

#### *E.19. Authorise the Board to Increase the Number of Shares Issued in case of Exceptional Demand*

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

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

Vote Cast: *Oppose*

Results: For: 84.8, Abstain: 3.4, Oppose/Withhold: 11.8,

### **TAYLOR WIMPEY PLC AGM - 22-04-2021**

#### *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: 83.1, Abstain: 0.0, Oppose/Withhold: 16.9,

### **DOMINO'S PIZZA GROUP PLC AGM - 22-04-2021**

#### *6. Re-elect Colin Halpern - Vice Chair (Non Executive)*

Non-Executive Vice-Chair. He is not considered independent as he has significant material relationship with the company. He acquired the Domino's Pizza Master Franchise Agreement for the UK and Republic of Ireland in 1993 through International Franchise Systems Inc. In November 1999, Mr Halpern was Chair of the Company and it was taken public and listed on AIM. He is a Former Executive Director and has had an association with the Company for at least 12 years. It is further

noted that Mr Halpern is paid in excess of the normal non-executive fees and is remunerated by a third party. However, there is sufficient independent representation on the Board. A support vote is recommended.

Vote Cast: *For*

Results: For: 83.3, Abstain: 0.0, Oppose/Withhold: 16.7,

#### 9. *Re-elect Kevin Higgins - Designated Non-Executive*

Independent Non-Executive Director. and Designated non-executive director 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: 0.0, Oppose/Withhold: 18.5,

#### 16. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The Chief Executive's salary is in the median of PIRC's comparator group.

**Balance:** Changes in CEO over the past five years are not considered in line with changes in TSR during the same period. The CEO's total realized awards during the year under review stands at approximately 111.2% (Annual Bonus: 111.2%). For the CEO no LTIP award vested for the year under review. The ratio of CEO pay compared to average employee pay stands at 41:1 which is considered unacceptable. PIRC consider a CEO pay ratio at 20:1 as acceptable.

Rating: AB

Vote Cast: *For*

Results: For: 65.0, Abstain: 0.0, Oppose/Withhold: 34.9,

#### 17. *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: 84.2, Abstain: 0.0, Oppose/Withhold: 15.8,

### IBSTOCK PLC AGM - 22-04-2021

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

Non-Executive Chair of the Board and Chair of the Nomination Committee

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

Vote Cast: *Oppose*

Results: For: 85.0, Abstain: 4.9, Oppose/Withhold: 10.1,

## MONCLER SPA AGM - 22-04-2021

### O.3. Authorise Share Repurchase

It is proposed to authorise the Board to purchase Company's shares for 5% 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: 70.2, Abstain: 0.8, Oppose/Withhold: 29.0,

## DIGNITY PLC EGM - 22-04-2021

### 1. Shareholder Resolution: Remove Clive Whiley as Director

**Proponent's argument:** The Proponent, Pheonix Asset Management, holder of 29.9% of the company's share capital, stated the following in an open letter to Dignity Shareholders: "We have called this shareholders' meeting because we believe we can no longer trust Clive Whiley to be Executive Chairman of Dignity. Therefore, we don't think it is in the best interests of Dignity and its shareholders for him to be involved with the business. This is because, as part of our work assisting the Company this year, we uncovered what we believe are some very serious issues in the prepaid funeral plan business (referred to as "pre-need"). We gathered the relevant information and sent it to Clive ahead of the budgeting process and finalisation of the annual results. In our view, his subsequent actions in dealing with the matter, internally and externally, left us no choice but to seek his removal as a director. Conflict is not in our nature but doing nothing would have gone against our company principles and long held standards of integrity. We are bound by our confidentiality agreement with Dignity and so cannot share all of the details with you. However, we would encourage shareholders to speak with the board to understand this issue in detail. We have spent the past three years trying to assist Dignity in finding the right strategy to build shareholder value. As we increased our stake and got closer to the Company, it became apparent that the board was dysfunctional and so we put forward a member of our team, James Wilson, to join the board to assist with the issues at hand. James' work on the strategy led to some successful trials but we believe that further progress was thwarted by internal vested interests. It seemed that there was resistance to change and that the vested interests favoured short term optics over long term shareholder value. In such a rapidly evolving funeral market, where the competition grows stronger with every day of Dignity's stasis, we concluded that wholesale change was needed in November 2020. After meeting with the NEDs and asking them to replace the executive management, including Clive, we compromised in order to avoid the distraction of a shareholder vote and left Clive in place on the basis that we could work together. We tried our very best to work with Clive in a collaborative and transparent way. Our approach was not reciprocated, and the pre-need issue was the final straw, so we asked the board to remove him."

**Company's response:** The company states that: "This is not the first time Phoenix has sought changes to the Board and/or threatened to requisition a meeting of Shareholders in order to get its way. In the Phoenix Statement, Phoenix claims that it is not seeking to control the Board and yet its behaviour and the actions of Gary Channon on its behalf over the last two years demonstrate quite the opposite. Gary Channon has continually threatened the Board with requisitions to remove and/or appoint directors whenever he has felt that the Board has been unwilling to accede to his wishes." The Company has also stated that "The evidence has led the Independent Directors to conclude that Phoenix, despite the statements to the contrary in the Phoenix Statement, is seeking to exert executive control over the Board (and therefore the Company) without paying a bid premium and has shown itself to be willing to act in a manner which does not respect the corporate governance requirements applicable to public companies." The Board has also responded to the shareholder's concerns stating: "Phoenix has questioned the commitment of Clive Whiley to his current role by pointing to the expiry of his fixed term appointment on 27 September 2021 and seeking to argue that as a result of this, he is driven by his own short term objectives rather than the longer term interest of Shareholders. The Independent Directors are satisfied that this is simply not the case and have the agreement in principle from Clive Whiley that he would be happy to extend his term until the job at hand is concluded to the satisfaction of the Board, should this not be achieved by the end of his current term." Each of the Independent Directors has reluctantly formed the view that, should the Resolutions be passed, they would

have no option but to resign their positions, as they cannot see a way in which they could effectively fulfil their respective roles with Gary Channon appointed as a replacement for Clive Whiley.

**PIRC analysis:** It is considered that the proponent has not provided sufficient justification for the resolution. The director is an executive chair, which is not considered to be best practice, however there does not appear to be a commitment to remove this position from the Board. Additionally, while there are potential time commitment concerns regarding the director, according to the latest figures disclosed, the director has attended all available meetings. Owing to a lack of compelling argument, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 54.6, Abstain: 0.0, Oppose/Withhold: 45.4,

## *2. Shareholder Resolution: Elect Garry Channon as Executive Chair*

It is proposed to elect Garry Channon, Founder of Pheonix Asset Management, as Executive Chair of the Company. It is a generally accepted norm of good practice that the Chair of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Holding an executive position is incompatible with this. Additionally, Mr. Channon is the Chief Investment Officer of Phoenix Asset Management, which in turn controls 29.9% of the company's share capital. While the proponent states that after putting in place a new leadership team, than Mr. Channon would step back to a supporting role, it is still considered that this appointment would give outsized influence to one shareholder, and is not considered to be in the best interest of all shareholders. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 60.5, Abstain: 0.0, Oppose/Withhold: 39.5,

## **SEGRO PLC AGM - 22-04-2021**

### *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: 85.9, Abstain: 0.1, Oppose/Withhold: 14.0,

## **TELEFONICA SA AGM - 22-04-2021**

### *IV.1. Elect José María Álvarez-Pallete López - 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: 84.6, Abstain: 0.3, Oppose/Withhold: 15.1,

#### IV.4. *Elect Francisco José Riberas Mera - 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: 69.6, Abstain: 1.3, Oppose/Withhold: 29.0,

### TEXAS INSTRUMENTS INCORPORATED AGM - 22-04-2021

#### 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: EDB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.8, Abstain: 0.2, Oppose/Withhold: 12.0,

#### 4. *Shareholder Resolution: Written Consent*

**Proponent's argument:** John Chevedden proposes that the board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. "Hundreds of major companies enable shareholder action by written consent. This proposal topic won majority shareholder support at 13 large companies in a single year. This included 67%-support at both Allstate and Sprint. This proposal topic also won 63%-support at Cigna Corp. (CI) in 2019. This proposal topic would have received higher votes than 63% to 67% at these companies if more shareholders had access to independent proxy voting advice. It is important to adopt this proposal because Texas Instruments shareholders also do not have the right to call a special meeting. "

**Company's response:** The board recommends to vote against the proposal: " Written consent shortcuts debate on key company decisions and can disenfranchise stockholders. Delaware law and SEC rules provide a meeting framework that promotes informed and deliberate engagement among a company's stockholders. Action by written consent ignores that framework. When stockholders are asked to take action at a meeting, those soliciting votes are obligated to provide materials that inform the stockholder of the actions to be considered and the consequences of any outcomes. That obligation is not required of written consent solicitations, with the result that stockholders could be requested to take action without all necessary information and without appropriate time to deliberate. Written consent further disenfranchises stockholders by eliminating the requirement that all stockholders participate in key corporate decisions. Because only some stockholders need be solicited for their consent, others lose the opportunity to engage on the requested action. Stockholders already have several methods through which they can influence company practices without acting by written consent. Primarily, our annual stockholder meeting provides an opportunity for stockholders to provide direct feedback by voting on director nominees, executive compensation, auditor selection and other matters that come before the meeting, or to ask questions of management. If stockholders make the board or management aware of events warranting stockholder action between annual meetings, the by-laws permit the Chairman, CEO, or Secretary to call a special meeting of stockholders. Stockholders may also bring specific items of business before the company and other stockholders by submitting proposals for inclusion in the company's proxy materials to be voted on at the meeting, or to be voted on at the meeting without being included in company proxy materials. Company by-laws also allow stockholders to nominate directors at the meeting or using proxy access.

**PIRC analysis:** There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Since the company has weak or no special meeting rights, written consent rights are very important. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 77.6, Abstain: 0.5, Oppose/Withhold: 21.9,

## PFIZER INC. AGM - 22-04-2021

### 4. *Shareholder Resolution: Introduce an Independent Chair Rule*

**Proponent's argument:** Kenneth Steiner proposes that shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy could be phased in for the next CEO transition." If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is temporarily waived if in the unlikely event no independent director is available and willing to serve as Chair. In regard to the roles of Chairman and CEO: •The role of the CEO and management is to run the company. •The role of the Board of Directors is to provide independent oversight of management and the CEO. •There is a potential conflict of interest for a CEO to have the role of Chairman."

**Company's response:** The Board of Directors recommends a vote against this proposal: the "Board is confident that Pfizer's existing shareholder rights and strong corporate governance practices, including the annual election of directors, a majority vote standard in uncontested Director elections, special meeting rights and proxy access, already provide a strong structure for ensuring independent Board oversight of the company. These policies are bolstered by the Board's practices, which include frequent meetings in executive sessions, when our Chairman and CEO is not present, to discuss matters that fall under their purview as independent Directors. These topics include, among others, evaluation of the Chairman and CEO and other senior leaders and succession planning. [...] The Board values having the flexibility to select the structure of leadership best suited to meet the needs of Pfizer and our shareholders at any given time. The independent Directors of the Board, with their diverse backgrounds, experience, perspectives and extensive knowledge about the company and our industry, are best positioned to evaluate the Board's optimal leadership structure. The Board believes the leadership structure best suited to meet the needs of Pfizer and our shareholders should be based on the particular circumstances and challenges confronting the Board and company at any given time, as well as the individual skills and experiences that may be required in an effective Chairman. Given the dynamic and competitive environment in which we operate, the Board believes that the right leadership structure may vary as circumstances warrant and does not view any particular Board leadership structure as preferred."

**PIRC analysis:** 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. It is considered that an independent Chair can provide independent oversight of management and facilitates clearer lines of accountability with respect to corporate decisions. Support is recommended.

Vote Cast: *For*

Results: For: 37.0, Abstain: 1.0, Oppose/Withhold: 62.0,

### 5. *Shareholder Resolution: Report on Political Contributions and Expenditures*

**Proponent's argument:** Tara Health Foundation proposes that Pfizer publish an annual report, at reasonable expense, analyzing the congruency of political and electioneering expenditures during the preceding year against publicly stated company values and policies. "Pfizer's politically focused expenditures appear to be misaligned with the company's values and interests. •Pfizer has stated that "Expanded access to health insurance coverage will help ensure that patients with under-diagnosed and undertreated conditions are able to address them; and that those who will benefit from Pfizer medicines are better able to have access to them." Yet the report *Conflicted Consequences* revealed that in 2018, Pfizer was a top contributor to a 527 organization that has been leading efforts to strike down the Affordable Care Act, which has made prescription drugs more accessible for millions of Americans. •Pfizer manufactures contraceptives and a drug commonly prescribed for use as an abortifacient. Yet the above-cited report notes that Pfizer was a top contributor to a 527 organization that funds state legislators' efforts to implement extreme anti-abortion measures. The 2019 report *Funding the Bans* estimated that Pfizer donated more than \$50,000 to politicians in six states responsible for that year's wave of abortion bans. The proponent estimates that in the last three election cycles, Pfizer and its employee PACs have made political donations totaling at least \$8.4 million to politicians and political organizations working to weaken women's access to reproductive health care. •Pfizer has committed to achieving



science-based greenhouse gas reduction targets, yet is a member of the U.S. Chamber of Commerce, which has consistently lobbied to roll back specific US climate regulations and promote regulatory frameworks that would slow the transition towards a low GHG emissions energy mix. This raises questions about whether Pfizer is also supporting electioneering efforts that conflict with its environmental commitments. "The Pfizer PAC and Corporate Political Contributions Report (the Report), is published annually and is available on our corporate website at [https://www.pfizer.com/about/corporate\\_governance/political\\_action\\_committee\\_report](https://www.pfizer.com/about/corporate_governance/political_action_committee_report). The Report details by recipient and amount, Pfizer PAC and Pfizer Inc. contributions to political committees, corporate contributions made in state and local elections and certain contributions to trade associations. The Report clearly explains Pfizer's rationale and motivation for making such political expenditures, including the company's support for candidates from both political parties who value Pfizer's purpose to discover, develop and deliver "Breakthroughs that change patients' lives." The Report also explains how Pfizer's political expenditures align with the company's public policy priorities, including the "the protection of intellectual property, supporting a patient centric healthcare system that enables access and encourages innovation, protecting patients from dangerous insurance barriers and counterfeit medicines, protecting Medicare Part D and ensuring patients have modern insurance that includes affordable out-of-pocket costs." Pfizer acknowledges in the Report that politicians have a range of policy views and positions, which collectively can be both related and unrelated to Pfizer's business. Furthermore, the Report clearly states that contributions made to such recipients "do not imply an endorsement of a candidate's position on any social or religious issue." "

**Company's response:** The Board of Directors recommends a vote against this proposal:

**PIRC analysis:** The transparency and completeness of the company's reporting on political spending could be improved. The company scores in the second tier of the CPA-Zicklin Index of corporate political accountability and the board's argument makes clear that its compliance with political spending disclosure regulations complies only with the minimum requirements: this is considered incomplete and insufficient. Moreover, it is to the benefit of the company and its shareholders to be open about political spending 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: 44.9, Abstain: 4.9, Oppose/Withhold: 50.2,

#### 6. *Shareholder Resolution: Report on Access to COVID-19 Products*

**Proponent's argument:** Trinity Health requests a report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how receipt by Pfizer or its business partners of public financial support for development and manufacture of a vaccine or therapeutics for COVID-19 is being, or will be, taken into account when making decisions that affect access to such products, such as setting prices. "The Biomedical Advanced Research and Development Authority ("BARDA") and the Department of Defense have committed nearly \$2 "billion in funding for Pfizer and BioNTech's vaccine as part of the Operation Warp Speed ("OWS") program. The deal entitles BARDA to 100 million doses and an option to buy 500 million more. Although advance purchase commitments do not directly fund vaccine development, they reduce the risk associated with it. BioNTech has benefited from significant public funding at several different stages in its development of the mRNA technology used in the vaccine it is developing with Pfizer and received over \$444 million from the German government to accelerate vaccine development and expand manufacturing capacity. Unlike fellow OWS participants Janssen and AstraZeneca, Pfizer has not committed to provide its vaccine on a nonprofit basis during the pandemic. We believe that charging a price perceived as too high could damage Pfizer's reputation and create regulatory risk for the Company. An industry publication recently noted that "[v]accine pricing has the potential to be controversial, given the urgent health crisis posed by the pandemic as well as the billions of dollars in government funding supporting coronavirus vaccine development." [5] Pfizer has often been criticized for high drug prices." Pfizer has publicly stated that we have not taken any U.S. government funding for the development of our COVID-19 vaccine and that the company's efforts are entirely self-funded. We have invested more than \$2 billion dollars at-risk in the development and manufacturing of the vaccine in an effort to help find a solution to this pandemic. Pfizer has undertaken significant R&D investments, including our work on the development of the mRNA vaccine in collaboration with BioNTech. Contrary to the proposal's claims, the agreement Pfizer reached with the U.S. government in July 2020 to purchase the vaccine did not mitigate Pfizer's risk in the development and manufacturing of a safe and effective COVID-19 vaccine because the U.S. government was not obligated to pay Pfizer for any vaccine doses if the company had been unsuccessful in developing and delivering to the U.S. government an FDA authorized or approved vaccine. Pfizer in fact retained the full risk of its R&D investments on the vaccine. Ultimately, Pfizer received the FDA's Emergency Use Authorization on December 11, 2020 and has since been executing on its supply commitment to the U.S. government."

**Company's response:** The Board of Directors recommends a vote against this proposal. "

**PIRC analysis:** 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. Some regions that have experienced shortages in the availability of the COVID-19 vaccine (such as the European Union) have started to put pressure publicly on pharmaceutical companies for these to share intellectual property covering the COVID-19 vaccine. With growing amount of evidence linking poverty and access to health system in the US, there have been calls for lifting patents and distribute COVID-19 vaccines globally in order to reach herd immunity around the world in the shortest possible time and bypassing local social and economic conditions. 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: 27.7, Abstain: 2.0, Oppose/Withhold: 70.3,

#### 1.4. *Elect Joseph J. Echevarria - 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: 84.1, Abstain: 0.7, Oppose/Withhold: 15.1,

## LOCKHEED MARTIN CORPORATION AGM - 22-04-2021

### 4. *Shareholder Resolution: Written Consent*

**Proponent's argument:** Mr. John Chevedden requests that the board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. "Taking action by written consent in place of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director. It is also more important than ever to be able to replace a director through written consent because it is now almost impossible to remove a Lockheed Martin director otherwise because a director can be removed only for cause. Removal only for cause is an euphemistic way to say that a director has near immunity to being removed. This proposal topic won outstanding 47% support at the 2020 Lockheed Martin annual meeting. And this was before the shareholder right to call a special in-person shareholder meeting was essentially eliminated by the 2020 pandemic. Plus a 2020 LMT bylaw change appears to mean that shareholders may now only get 10-days notice of a shareholder meeting. Also the deliberations of the Lockheed Martin Board on this topic in 2020, with Mr. Daniel Akerson as Governance Committee Chairman, completely overlooked the safeguards that can be built into granting shareholders a right to act by written consent. Plus the 2020 shareholder proposal on this topic could not foresee that the pandemic would severely restrict a future special shareholder meeting which could simply be a bare bones online meeting with restricted interaction. And the Governance Committee under Mr. Akerson rested a lot of its argument on the outdated notion of what could be accomplished at a special shareholder meeting. "

**Company's response:** The board recommends a vote against the proposal: "Substantially identical proposals were rejected by the Corporation's stockholders in 2020, 2018, 2015, 2014, 2013 and 2011. This will be the seventh time in the past ten years that the same proponent has proposed a substantially similar proposal and each previous time stockholders have rejected such a proposal. The Board does not believe any material developments have occurred since the last time stockholders rejected such a proposal that should change stockholders' views on this proposal. Our stockholders already have the right to call a special meeting at any time. Any stockholder who individually owns 10 percent, or stockholders who in the aggregate own 25 percent, of our outstanding common stock may demand the calling of a special meeting to consider any business properly before the stockholders. This threshold is half (or less) of what would be necessary to act by written consent under the proposal. The rights requested by the proposal would be duplicative of this existing stockholder right to call a special meeting, but without important protections

and advantages afforded by the stockholder meeting process. See below and "Stockholder Right to Call Special Meeting" on page 32. The Board believes allowing stockholders to act by written consent circumvents the deliberative stockholder meeting process. Implementation of this proposal could result in an unfair and unsound process because it allows stockholders to take action without complying with the procedural safeguards inherent in the stockholder meeting process. For example, action by written consent does not require that all stockholders receive notice of the written consent proposal, be given adequate time to review the subject matter of the proposal or be given the opportunity to consider alternative views on the proposal. The Board believes that requiring stockholder business be acted upon at a meeting is an inherently more structured, democratic and open process and helps to ensure the accuracy and completeness of information presented to all stockholders for their consideration.

**PIRC analysis:** There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Since the company has weak special meeting rights (any stockholder who individually owns 10 percent, or stockholders who in the aggregate own 25 percent may demand the calling of a special meeting to consider any business properly before the stockholders), written consent rights are very important. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 45.4, Abstain: 1.6, Oppose/Withhold: 53.0,

#### *5. Shareholder Resolution: Report on Human Rights Due Diligence*

**Proponent's argument:** Sisters of Charity of Saint Elizabeth, The Sisters of St. Francis of Philadelphia and the School Sisters of Notre Dame Cooperative Investment Fund request the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on Lockheed Martin's human rights due diligence process to identify, assess, prevent, mitigate, and remedy actual and potential human rights impacts associated with high-risk products and services, including those in conflict-affected areas. " Lockheed Martin is the world's largest defense contractor and is exposed to significant actual and potential adverse human rights impacts resulting from the use of its weapons and defense technologies. Human rights risks include the rights to life, liberty and personal security, privacy, non-discrimination, and peaceful assembly and association. The UN Guiding Principles on Business and Human Rights (UNGPs), unanimously endorsed by the UN Human Rights Council in June 2011, constitute the global authoritative framework outlining the roles and responsibilities of states and companies with respect to human rights. While regulation of the international arms trade falls under the state duty to protect human rights, the UNGPs define clear expectations for defense companies to respect human rights in their operations and supply chains, and address risks linked to use of products. A 2019 Amnesty International report found that Lockheed Martin lacks human rights due diligence procedures to effectively identify, assess, prevent, mitigate, and remediate its human rights impacts. Prominent human rights organizations have recorded indiscriminatory use of Lockheed Martin weaponry against civilians consistently over time. Lockheed Martin has exported military goods to at least 12 states which are engaged in armed conflict, have a record of human rights violations, or are at risk of corruption and fragility, including Saudi Arabia, Israel, and the United Arab Emirates (UAE). "

**Company's response:** The board recommends a vote against the proposal: "The Board believes the Corporation's existing policies and practices appropriately and adequately address the concerns raised in this proposal. Our policies, procedures, and practices reflect our strong commitment to ethical business practices and respect for human rights. As outlined in our Good Corporate Citizenship and Respect for Human Rights Policy (Human Rights Policy), at Lockheed Martin, we believe that respect for human rights is an essential element of being a good corporate citizen. Our commitment to respect human rights underlies Setting the Standard, the Lockheed Martin Code of Ethics and Business Conduct (Code of Conduct), and our stated values-Do What's Right, Respect Others, and Perform with Excellence. This commitment applies to all employees, the Board, and others who represent or act for us. This policy outlines human rights commitments that include fair employment practices and wages, and the prohibition of harassment, discrimination, child or forced labor and human trafficking. Our commitment to good corporate citizenship and human rights is also reinforced through our Supplier Code of Conduct, which sets the expectation that our suppliers will honor the same values we do. In addition, on September 1, 2020, we adopted a corporate policy on the ethical development of use of artificial intelligence (AI) that outlines our principles and concepts for the development, procurement, deployment or internal use of AI systems consistent with our Code of Conduct, including consideration of human rights, with a focus on ensuring that we remain responsible, we take deliberate steps to minimize unintended bias, capabilities are traceable with transparent and auditable methodologies, capabilities are reliable with explicit, well-defined uses, and are able to detect and avoid unintended consequences."

**PIRC analysis:** The proponent asks for a report on the risks associated with potential and actual human rights risks of its operations and supply chain, as well on the abuse or unreasonable and unproportionate use made of the company's products. 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. While the company indicates that it is committed to not using child or forced labour in its supply chains, it does not disclose the risks to which the company might be exposed regarding additional violations of human rights. Ensuring that suppliers and users are not violating human rights is considered to be due diligence, in order to uphold company's policies on human rights and minimize corresponding risks. As such, a vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 31.6, Abstain: 1.9, Oppose/Withhold: 66.5,

## JOHNSON & JOHNSON AGM - 22-04-2021

### 1i. *Elect Anne M. Mulcahy - Lead Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is a member 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: 88.2, Abstain: 1.2, Oppose/Withhold: 10.7,

### 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: 53.9, Abstain: 5.0, Oppose/Withhold: 41.1,

### 4. *Shareholder Resolution: Report on Government Financial Support and Access to COVID-19 Vaccines and Therapeutics*

**Proponent's argument:** Oxfam America, Inc. asks the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen's receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices. "JNJ stated publicly that it will distribute a COVID-19 vaccine on a "nonprofit" basis, but that commitment is limited to "emergency pandemic use."<sup>4</sup> JNJ has not clarified what "nonprofit" means when the government funds a significant portion of the research and development cost. If a COVID-19 vaccine must be readministered regularly to maintain herd immunity, as many experts predict,<sup>5</sup> demand will outlast the pandemic, and the potential market will be vast. If JNJ's vaccine is approved, scaling up production beyond JNJ's goal of producing 1 billion doses per year<sup>6</sup> will be essential to ensure universal and low-cost vaccine access, which is critical to maintain stability, reignite the global economy and investor returns,<sup>7</sup> and prevent domestic outbreaks.<sup>8</sup> Accordingly, JNJ will face enormous pressure to share intellectual property (including patents) over the COVID-19 vaccines or therapeutics to which public entities such as BARDA are contributing. Already, Janssen's agreements with BARDA have been criticized for limiting the government's intellectual property rights,<sup>9</sup> which could place a chokehold on mass production commensurate with global need-increasing price, decreasing overall supply and preventing universal access."

**Company's response:** The Board of Directors recommends a vote against the proposal: "Since the beginning of the Company's COVID-19 response, the Company has been committed to bringing forward a safe, effective and affordable vaccine on a not-for-profit basis for emergency pandemic use, while also focusing on making sure

its vaccine candidate will be globally accessible. Through a landmark collaboration between the Janssen Pharmaceutical Companies of Johnson & Johnson (Janssen) and the Biomedical Advanced Research and Development Authority (BARDA), a part of the Office of the Assistant Secretary for Preparedness and Response at the U.S. Department of Health and Human Services, the Company and Janssen together have committed more than \$1.7 billion of investment to co-fund vaccine research and development. Separately, BARDA and the Company have provided additional resources that will enable the expansion of their ongoing work to identify potential antiviral treatments against, and therapeutic screening for, COVID-19. The Company's decision to collaborate with BARDA and provide its COVID-19 vaccine candidate to the public on a not-for-profit basis is rooted in Our Credo and recognizes the Company's commitment to all of its stakeholders. In this regard, Our Credo challenges the Company to put the needs and well-being of the people the Company serves first. "

**PIRC analysis:** 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. Some regions that have experienced shortages in the availability of the COVID-19 vaccine (such as the European Union) have started to put pressure publicly on pharmaceutical companies for these to share intellectual property covering the COVID-19 vaccine. With growing amount of evidence linking poverty and access to health system in the US, there have been calls for lifting patents and distribute COVID-19 vaccines globally in order to reach herd immunity around the world in the shortest possible time and bypassing local social and economic conditions. 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: 31.3, Abstain: 1.5, Oppose/Withhold: 67.2,

#### 5. *Shareholder Resolution: Require Independent Board Chair*

**Proponent's argument:** Trillium Asset Management LLC on behalf of Oneida Trust Minors propose that Shareholders request the Board of Directors adopt as policy, and amend the bylaws as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, be an independent member of the Board. This independence policy shall apply prospectively so as not to violate any contractual obligations. If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair. "In our view, shareholders are best served by an independent Board Chair who can provide a balance of power between the CEO and the Board. Taking this step is in the long-term interests of shareholders and will promote effective oversight of management. As of March 2020, approximately 33% of S&P 500 firms had an independent chair. ISS reported in September 2020 that 85 percent of investors responding to its policy survey indicated that an independent chair is their preferred model."

**Company's response:** The Board of Directors recommends a vote against the proposal: "The Board believes it is important to preserve its flexibility to determine the most appropriate leadership structure based on an assessment of the unique circumstances, culture and challenges facing the Company, as well as the individual skills and experiences that may be required in an effective Chair. As discussed in "Item 1: Election of Directors" on pages 10 to 18 of this Proxy Statement, all Director nominees are independent except for our CEO, with diverse backgrounds, experiences and perspectives. Moreover, our independent Directors appropriately challenge management and demonstrate the free-thinking expected of Directors. Given this makeup, our Board is in a very strong position to evaluate the relative benefits and challenges of various types of Board leadership structures, considering the perspectives of shareholders, and to ultimately decide which one best serves the interests of our stakeholders, as they are defined in Our Credo. The Board having an opportunity, as it has now, to amend its leadership structure at any given time under all unpredictable circumstances is imperative to the Company achieving its long-term strategy and to managing unforeseeable risks. Given the dynamic and competitive environment in which we operate, our Board believes it is crucial to maintain the flexibility to tailor its leadership structure to best fit our Company and to address short- and long-term challenges as they evolve over time. "

**PIRC analysis:** 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. It is considered that an independent Chair can provide independent oversight of management and facilitates clearer lines of accountability with respect to corporate decisions. Support is recommended.

Vote Cast: *For*

Results: For: 43.1, Abstain: 0.5, Oppose/Withhold: 56.4,

#### 6. *Shareholder Resolution: Report on Civil Rights Audit*

**Proponent's argument:** Trillium Asset Management LLC on behalf of Christopher and Anne Ellinger proposes that shareholders request the company conduct and publish a third-party audit (within a reasonable time, at a reasonable cost, and excluding confidential/proprietary information) to review its corporate policies, practices, products, and services, above and beyond legal and regulatory matters; to assess the racial impact of the company's policies, practices, products and services; and to provide recommendations for improving the company's racial impact. "The Black Lives Matter protests of 2020 brought the significant policy issue of systemic racism to the forefront of a widespread public discussion and reckoning in America. It is clear that business as usual in the healthcare sector can result in disparate outcomes for Black Americans. For example, a recent Eli Lilly op-ed notes "Minorities make up nearly 40 percent of the U.S. population but less than 20 percent of participants in the key clinical trials. . . . [t]his low participation is itself a health disparity." Further, the mortality rate for black women diagnosed with breast cancer is 42 percent higher than the comparable rate for white women. In June 2020, JNJ made commitments to address underrepresentation in clinical trials, to strengthen existing community medical systems, and to discontinue skin lightening products. While these commitments are positive steps taken during a time of acute reflection on racism in America, we believe a third-party civil rights audit would demonstrate an even deeper commitment, provide rigorous independent insights, and may reveal additional ways in which JNJ can have even more impact on systemic racism."

**Company's response:** The Board of Directors recommends a vote against the proposal: " Diversity, equity and inclusion (DEI) has been critical to the Company's success in delivering quality health solutions and innovations to the billions of people we serve around the world. DEI has long been fundamental to the Company's business model, and Our Credo underscores the Company's commitment to DEI, stating: "We must provide an inclusive work environment where each person must be considered as an individual. We must respect their diversity and dignity and recognize their merit." In accordance with Our Credo values, the Company reviews and makes public its DEI work and progress, which the Company bolstered recently with Our Race to Health Equity platform [...] The Company's Diversity, Equity and Inclusion Policy, along with its global DEI strategy, sets out the principles and requirements by which the Company enhances DEI throughout the organization. The Diversity, Equity and Inclusion Policy applies to all employees and anyone conducting work on behalf of the Company or any of its operating companies, consistent with all applicable local laws. The Board, through its oversight of human capital management and the Company's adherence to Our Credo, works to ensure that management makes progress towards the Company's DEI goals. The Executive Committee reviews DEI results quarterly, and progress is reported to the Board periodically. Additionally, the Company's DEI Councils and Advisory Boards, led by senior leaders who are experts in their regions and sectors, work to drive the DEI strategy deeper into their organizations [...] 91% of employees surveyed [within the Our Voice Survey] believe they are treated with respect, and 81% confirmed their workgroup has a climate in which diverse perspectives are valued. Furthermore, beginning in June 2020, the Company collected weekly employee sentiment data as it navigated the impact of the COVID-19 pandemic and of racial and social injustice.

**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: 33.4, Abstain: 1.5, Oppose/Withhold: 65.1,

#### 7. *Shareholder Resolution: Recoupment of Bonuses*

**Proponent's argument:** Sisters of St. Francis of Philadelphia propose that shareholders of Johnson & Johnson ("JNJ") urge the Compensation & Benefits Committee (the "Committee") of the board to take the steps necessary to provide that the Committee may decline to pay in full an award (a "Bonus") to a senior executive that is based on one or more financial measurements (a "Financial Metric") whose performance measurement period ("PMP") is one year or shorter for a period (the "Deferral

Period") following the award, including developing a methodology for determining the length of the Deferral Period and adjusting the remainder of the Bonus over the Deferral Period. "As long-term shareholders, we support compensation policies that align senior executives' incentives with the company's long-term success. We are concerned that short-term incentive plans can encourage senior executives to take on excessive risk. In our view, the opioid crisis reflects overly risky behavior by companies in the supply chain, including manufacturers such as JNJ. In August 2019, an Oklahoma judge ruled that JNJ subsidiary Janssen engaged in "false, deceptive and misleading" marketing regarding opioids that led to opioid deaths in Oklahoma, which constituted a "public nuisance." JNJ has offered \$5 billion to settle more than 2,000 cases filed by states and cities seeking damages for JNJ's role in the opioid crisis. JNJ has also been dogged by compliance failures related to off-label promotion, kickbacks and foreign bribery. To foster a longer-term orientation, this proposal asks that the Committee take the steps necessary to authorize withholding some portion of Bonuses to allow adjustment of the unpaid portion during the Deferral Period. The Committee would have discretion to set the terms and mechanics of this process."

**Company's response:** The board recommends to vote against this proposal. Annual incentive awards, which have performance measurement periods of one year or shorter, are awarded pursuant to the Johnson & Johnson Executive Incentive Plan, which already affords the Compensation & Benefits Committee discretion to both adjust and defer awards. Our executive compensation programs align pay and performance. Annual bonuses and long-term incentive grants are tied to the performance of the Company, the executive's business unit or function, and the executive's individual performance. We believe that our executives should be rewarded when they deliver targeted results and that they should also have a significant portion of their compensation subject to risk if they fail to deliver against objectives. We have structured our compensation programs accordingly. Since the Compensation & Benefits Committee already has the discretion the proponent requests, this proposal does not enhance our executive compensation policies. The Company structures performance-based compensation to reward an appropriate balance of short-term and long-term financial and strategic business results with an emphasis on managing the business for the long-term. Rather than being overly weighted toward annual cash incentive awards, our executives' target compensation mix represents a balance of cash and long-term equity-based compensation. Indeed, reflecting the Compensation & Benefits Committee's recognition that the long-term interests of shareholders are advanced by linking executive pay with the Company's long-term performance, equity compensation constitutes most of each executive officer's overall compensation. In addition, the Company's long-term equity-based compensation program for senior executives is heavily weighted towards performance-based awards that vest based on our financial performance relative to pre-determined targets and total shareholder return relative to peers over three-year performance periods.

**PIRC analysis:** While the proposal would require deferral of remuneration under slightly broader circumstances than are typically included in the most common deferral policies, the fact that the company does not have a full deferral provisions (besides one that is however considered to be short term, is of sufficient concern that support for the proposal be recommended. The proposal will be an advance in corporate governance. On this basis, support for the proposal is recommended.

Vote Cast: *For*

Results: For: 22.4, Abstain: 0.8, Oppose/Withhold: 76.8,

## **AGGREKO PLC AGM - 22-04-2021**

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

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

Vote Cast: *Oppose*

Results: For: 82.8, Abstain: 1.3, Oppose/Withhold: 15.9,

## AKZO NOBEL NV AGM - 22-04-2021

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

It is proposed to approve the implementation of the remuneration report. 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: 49.7, Abstain: 0.0, Oppose/Withhold: 50.3,

### 4.b. *Discharge the Supervisory 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. 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, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 87.7, Abstain: 0.9, Oppose/Withhold: 11.3,

### 5.a. *Approve Remuneration Policy for Management Board*

It is proposed to approve the remuneration policy for the management board. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 84.7, Abstain: 1.8, Oppose/Withhold: 13.4,

## SENIOR PLC AGM - 23-04-2021

### 2. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The change in the CEO's salary is in line with the rest of the Company, as the CEO's pay decrease by 2.3% while employee remuneration decrease by 2.1%. The CEO's salary is in the upper quartile of the Company's 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. Total variable pay for the year under review is acceptable at 52.6% of the CEO's salary. It is noted that no LTIP award was vested for the year under review. The ratio of CEO pay compared to average employee pay is not acceptable at 24:1, it is recommended that the ratio does not exceed 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 70.2, Abstain: 5.4, Oppose/Withhold: 24.4,



### 3. Approve Remuneration Policy

**Policy Rating: CDC** Changes proposed: i) Post-employment shareholding requirements: This new post-employment shareholding requirement will apply for a period of two years following cessation at the lower of (1) 80% of the in-employment shareholding guideline in place prior to cessation (currently 200% of salary) and (2) the actual shareholding held at the time of cessation. This requirement will only apply to any shares which vest from LTIP awards granted from 2021 onwards and any shares that vest from deferred bonus from the 2021 bonus scheme onwards, ii) Existing pension contributions will be aligned with that available to the majority of the UK workforce (currently 10% of salary) by the end of the new Remuneration Policy period on January 2024. New executive Directors will receive a pension contribution in line with that available to the majority of employees in the relevant jurisdiction, iii) Update the Policy to ensure that it reflects the Remuneration's Committee's ability to exercise discretion and override the formulaic outcomes of the LTIP if required and, iv) extend clawback to apply also to cash bonuses, as is common practice elsewhere. We will also extend the "trigger events" such that clawback and malus can be applied (if required) in a wider variety of circumstances. These will now include situations where payments were made on the basis of erroneous or misleading data, where serious reputational damage to Senior has occurred and in the event of corporate failure.

For the Annual Bonus two third is paid in cash and one third is paid as a conditional award of deferred shares, which is not considered adequate. It is recommended that at least half of the annual bonus is deferred into shares. Malus and clawback provisions are in place. The performance period under the LTIP is not sufficiently long-term at three years, although the additional holding period of two years is welcomed. The three performance conditions used are financial based and operate independently. There should be at least one non-financial KPI, and for performance conditions to operate interdependently such that there is no payout if one of the minimum targets is not achieved. Total potential variable pay is excessive at 275% of salary (325% of salary in exceptional circumstances), it is recommended that total variable pay is limited to 200% of salary. A mitigation statement has been made. Contracts may be terminated without notice by the payment of a sum equal to the sum of salary due for the unexpired notice period. There was no enhanced provisions in relation to a change of control. There is a 12 month notice period for both the Company and the Executive Director. Upside discretion may be exercised by the committee as it may decide not to prorate LTIP awards based on time and performance. There is an exceptional limit under the LTIP for recruitment purposes which is inappropriate.

Vote Cast: *Oppose*

Results: For: 69.2, Abstain: 6.7, Oppose/Withhold: 24.1,

## HIKMA PHARMACEUTICALS PLC AGM - 23-04-2021

14. *Elect Cynthia Schwalm - Non-Executive Director*  
Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 86.4, Abstain: 0.0, Oppose/Withhold: 13.5,

17. *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: 86.9, Abstain: 0.0, Oppose/Withhold: 13.1,

## ABBOTT LABORATORIES AGM - 23-04-2021

### 1.7. *Elect Nancy McKinstry - 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. In addition, it is noted that the director is a member of the Audit committee which should comprise wholly of independent directors. Based on these concerns, a withhold vote is recommended.

Vote Cast: *Withhold*

Results: For: 78.1, Abstain: 0.0, Oppose/Withhold: 21.9,

### 1.8. *Elect William A. Osborn - Lead Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is a member of the Remuneration committee which should comprise wholly of independent directors. Based on these concerns, a withhold vote is recommended.

Vote Cast: *Withhold*

Results: For: 86.6, Abstain: 0.0, Oppose/Withhold: 13.4,

### 5. *Shareholder Resolution: Report on Lobbying Payments and Policy*

**Proponent's argument:**The Unitarian Universalist Association proposes that the company prepares a report, updated annually, disclosing: 1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications. 2. Payments by Abbott 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. Abbott's membership in and payments to any tax-exempt organization that writes and endorses model legislation. 4. Description of management's decision-making process and the Board's oversight for making payments described in section 2 above. For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Abbott is a member.

**Company's response:** The board recommends a vote against this proposal. " This same proposal has come before Abbott's shareholders at least four times, most recently last year, when Abbott shareholders rejected it by more than 80%. Abbott was then and still is transparent about its lobbying activities. Preparing and maintaining the annual report this proposal requests would add cost and consume resources, but without increasing any shareholder value. Indeed, as the Board laid out last year, Abbott already provides transparency around the categories of disclosure sought by this proposal, enabling shareholders to assess whether Abbott has any undue corporate influence over initiatives with which its investors disagree. Further, Abbott's political disclosure and accountability policies continue to be recognized as top tier among S&P 500 companies."

**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: 34.0, Abstain: 0.5, Oppose/Withhold: 65.5,

### 6. *Shareholder Resolution: Report on Racial Justice*

**Proponent's argument:**Handlery Hotels request the company publish a report, at reasonable expense and excluding proprietary information, disclosing the Company's plan, if any, to promote racial justice. " The need for action is underscored by Abbott's 40% score on a recent Racial Justice Scorecard. This score is significantly below

peers AbbVie Inc. and Boston Scientific, which both scored above 60%. Abbott's low score is due to its lack of publicly accessible diversity and inclusion targets and lack of disclosed data concerning hiring, retention, and promotion rates of people of color within the Company. Given heightened awareness around racism, failing to act and disclose policies and quantifiable data raises the material risk of revenue loss and reduced brand value."

**Company's response:** The Board of Directors recommends a vote against the proposal. "The shareholder's proposal is premised on Abbott's purported "score" on a "Racial Justice Scorecard." But this "Scorecard" (put out by the proponent itself) does not accurately reflect Abbott's commitment and work to date on racial justice, or the Company's intentions moving forward. Rather, Abbott's current disclosures in its Global Sustainability Report and 2030 Sustainability Plan depict Abbott's robust commitment to racial justice, diversity, and inclusion, which were not included by the proponent when creating their "scorecard." Further, going forward, Abbott will publish a Diversity and Inclusion (D&I) report, which will enhance these disclosures as well as provide a consolidated EEO-1 report that provides a summary of Abbott employees by race, gender, and job category. Thus, the proposal's new called-for report is unnecessary. As captured in Abbott's existing disclosures and will be discussed further in its forthcoming D&I report, Abbott has had a long-lasting commitment to diversity, inclusion, and racial justice. First, for years, Abbott has been dedicated to building a pipeline of diverse talent. Nearly three decades ago, Abbott helped found the nonprofit group Advancing Minorities' Interest in Engineering, which develops partnerships among industry, government, and universities to achieve diversity in the engineering workforce. Abbott remains a partner today. Since 2006, Abbott has been building a pipeline of diverse talent through its science, technology, engineering, and math (STEM) programs. Since that time, more than 6,000 Abbott scientists, engineers, and other employees have shared their expertise to support programs that advance STEM education around the world, reaching more than 325,000 students. Even further, Abbott has operated a STEM internship program for U.S. high-school students since 2012, and Abbott hosts hundreds of college students for paid internships. In 2020, 71% of the high-school and 39% of college students participating in those programs were minorities. By 2030, Abbott aims to create opportunities in STEM programs for more than 100,000 young people, including 50% from underrepresented groups."

**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: 38.4, Abstain: 1.2, Oppose/Withhold: 60.4,

#### *7. Shareholder Resolution: Introduce an Independent Chair Rule*

**Proponent's argument:** Kenneth Steiner requests that the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy could be phased in for the next CEO transition. "If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is temporarily waived if in the unlikely event no independent director is available and willing to serve as Chair. This proposal topic won 52% support at Boeing and 54% support at Baxter International in 2020. Support for this proposal topic jumped from 34% to 52% in one-year at Boeing."

**Company's response:** The Board of Directors recommends a vote against the proposal. "As stated in Abbott's governance guidelines, "[t]he board of directors believes that it is important to retain the flexibility to allocate the responsibilities of the offices of chairman of the board and chief executive officer in any manner that it determines to be in the best interests of Abbott."<sup>1</sup> The need for that flexibility has never been more apparent than this past year, when Abbott transitioned to a new CEO. The Board's current guidelines provided the Board with the flexibility necessary to adopt the leadership structure in the best interests of Abbott and its shareholders during this transition. Indeed, every year, the Board reviews its leadership structure to ensure the appropriate level of oversight, independence, and responsibility. The Board continues to believe that flexibility coupled with a strong Lead Independent Director is best for Abbott and its shareholders. Abbott's Lead Independent Director is selected from among the ranks of independent directors. In that role, the Lead Independent Director consults directly with major shareholders on Abbott business.

The Lead Independent Director oversees the Board evaluation process. The Lead Independent Director is empowered to call meetings of the independent directors, if necessary. And the Lead Independent Director can review and approve agenda items, the Board's schedule, and, where appropriate, information provided to other Board members."

**PIRC analysis:** 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. It is considered that an independent Chair can provide independent oversight of management and facilitates clearer lines of accountability with respect to corporate decisions. Support is recommended.

Vote Cast: *For*

Results: For: 33.7, Abstain: 0.4, Oppose/Withhold: 65.9,

## RENAULT SA AGM - 23-04-2021

### *O.5. Approve Auditors' Special Report on Related-Party Transactions Mentioning the Absence of New Transactions*

No new transactions have been authorised during the year under review. Support is recommended.

Vote Cast: *For*

Results: For: 89.6, Abstain: 0.1, Oppose/Withhold: 10.4,

### *O.8. Elect Miriem Bensalah Chaqroun - 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*

Results: For: 67.2, Abstain: 0.1, Oppose/Withhold: 32.7,

### *O.15. Approve Compensation of Luca de Meo, CEO*

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. Oppose vote is recommended.

Vote Cast: *Oppose*

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

### *O.18. Approve Remuneration Policy of CEO*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. The Company has disclosed quantified targets for performance criteria for the entirety of its variable remuneration component. Nevertheless, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 88.7, Abstain: 0.3, Oppose/Withhold: 11.0,

## JPMORGAN US SMALLER CO IT PLC AGM - 26-04-2021

### 1. *Receive the Annual Report*

There was no dividend or dividend policy put to vote although the company paid interim dividends during the year, which is considered inappropriate. It is considered that shareholder approval of the dividend, or dividend policy, is a necessary safeguard of shareholders rights and should be sought accordingly.

The functions of Investment Manager and Company Secretary are performed by the same company, which is not considered best practice.

The company have disclosed a voting policy indicating how they vote on issues relating to investment and investee companies. In addition, it is noted ESG matters are taken into account in investment decisions which is welcomed.

Nevertheless, based on concerns regarding dividends, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 85.8, Abstain: 0.9, Oppose/Withhold: 13.3,

### 15. *Authorise the Board to Waive Pre-emptive Rights on Additional Shares*

It is proposed to exclude pre-emption rights on shares issued under the previous resolution at this meeting. The cumulative authority for issuing shares without pre-emptive rights, requested in a previous proposal, would exceed guidelines (10%). Opposition is thus recommended.

Vote Cast: *Oppose*

Results: For: 81.0, Abstain: 1.0, Oppose/Withhold: 18.1,

## RAYTHEON TECHNOLOGIES CORP AGM - 26-04-2021

### 1n.. *Elect Robert O. Work - 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: 73.7, Abstain: 0.4, Oppose/Withhold: 25.9,

### 19. *Shareholder Resolution: Proxy Access*

**Proponent's argument:** John Chevedden proposes that the board of directors take the steps necessary to enable as many shareholders as may be needed to aggregate their shares to equal 3% of our stock owned continuously for 3-years in order to enable shareholder proxy access. The current arbitrary ration of 20 shareholders to initiate shareholder proxy access can be called Catch-22 Proxy Access. To assemble 20 shareholders, who have owned 3% of company stock for an unbroken 3-years, one would reasonably need to start with 60 activist shareholders who own 9% of company stock for an unbroken 3-years because initiating proxy access is a complicated process that is easily susceptible to errors. It is also highly susceptible to dropouts. The 60 activist shareholders could then be whittled down to 40 shareholders because some shareholders would be unable to timely meet all the paper chase requirements. After the 40 shareholders submit their paperwork to management-then management might arbitrarily claim that 10 shareholders do not meet the requirements figuring that shareholders do not want a battle in court and management might convince another 10 shareholders to drop out-leaving 20 shareholders. But the current bylaws do not allow 40 shareholders to submit their paperwork to management to end up with 20 qualified shareholders.

**Company's response:** The Board of Directors recommends a vote against this proposal. " Our Board adopted our current proxy access bylaw (the "Current Bylaw") in 2015 after careful consideration over time, with detailed input from a wide range of shareowners. Our Board believes the Current Bylaw provides shareowners with a meaningful proxy access right that is consistent with corporate governance best practices. The Current Bylaw allows up to 20 shareowners owning at least 3% of our

outstanding stock continuously for at least three years to nominate in our proxy materials one individual or the largest whole number that does not exceed 20% of the Board, whichever is greater. In contrast, the proposal would allow an unlimited number of shareowners, none of whom may have a meaningful economic stake in the Company, to aggregate their holdings to reach the 3% ownership requirement. We believe the Current Bylaw's 20-shareowner limit strengthens the proxy access right by ensuring it is used only by shareowners with a financial stake in the Company sufficient to align their interests with those of our shareowners and the Company."

**PIRC analysis:** The move, which would strengthen shareholder democracy is supported; and it is considered that the proposal would help to increase independent representation on the Board. The requested threshold for holding requirement for nominators is considered sufficient. Furthermore, the nomination of new Board members would facilitate greater independence in the oversight of the Company. Support is therefore recommended.

Vote Cast: *For*

Results: For: 30.7, Abstain: 0.8, Oppose/Withhold: 68.5,

## INTERNATIONAL BUSINESS MACHINES CORPORATION AGM - 27-04-2021

### 1b. *Elect Michael L. Eskew - Lead Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is 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: 87.0, Abstain: 0.9, Oppose/Withhold: 12.1,

### 1d. *Elect Alex Gorsky - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 85.6, Abstain: 0.9, Oppose/Withhold: 13.5,

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

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. It is also noted that this proposal registered a significant proportion of oppose vote of 13.57% at the 2020 AGM 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: ADE. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 47.9, Abstain: 1.5, Oppose/Withhold: 50.6,

### 4. *Shareholder Resolution: Introduce an Independent Chair Rule*

**Proponent's argument:** Kenneth Steiner proposes that the Board of Directors adopt a policy, and amend our governing documents as necessary to require that the Chairman of the Board of Directors to be an independent member of the Board whenever possible including the next Chairman of the Board transition. " If the Board determines that a Chairman who was independent when selected is no longer independent, the Board shall select a new Chairman who satisfies the requirements of the policy within a reasonable amount of time. This policy is not intended to violate any employment contract but recognizes that the Board has broad power to renegotiate an employment contract. This proposal topic won impressive 40%-support at the 2019 IBM annual meeting even though it was not a fair election. IBM management put is hand on the scale and spent shareholder money on advertisements to oppose this proposal topic. For a fair election shareholders would have had to take money from their own pockets to match the money IBM took from shareholders to advertise for the management position. Support for proposals to appoint

an independent Board chair received 17% higher support at U.S. companies in 2020. Since management performance setbacks often result in higher support for this proposal topic, the mere submission of this proposal may be an incentive for the Chairman of the Board to perform better leading up to the 2021 annual meeting. It is also important to have an independent board chairman to help make up for the 2020 devaluation of shareholder meetings with the widespread use of online shareholder meetings using the pandemic as a steppingstone. Online meetings are so easy for management that management will never want to return to in-person shareholder meetings."

**Company's response:** The board recommends a vote against this proposal. One of the most important tasks undertaken by a board is to select the leadership of the board and the company. In order to execute this critical function most effectively and in the best interests of the stockholders, a board must maintain the flexibility to determine the appropriate leadership in light of the circumstances at a given time. Because one size does not fit all situations, your Board has altered its structure at various times in response to the particular circumstances at that time. For example, last year, your Board split the Chairman and CEO roles to ensure a seamless and successful leadership transition from Ginni Rometty, your prior CEO, to Arvind Krishna, your current CEO. This transition was the result of a world-class, multi-year succession process during which the Board considered several candidates, and the splitting of the Chairman and CEO roles was a crucial factor in the plan for a smooth succession. The Directors and Corporate Governance Committee and the Board continuously evaluate the appropriate leadership structure for IBM. In connection with the retirement of Ginni Rometty, the Board determined that the optimal leadership structure was to once again combine the roles of CEO and Chairman. The Board's review considered the strength of IBM's independent Board and corporate governance practices and determined that the existing board leadership structure of having a management director serve as Chairman, alongside a robust and independent Lead Director, best serves the needs of the Company and the stockholders at this time.

**PIRC analysis:** 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. It is considered that an independent Chair can provide independent oversight of management and facilitates clearer lines of accountability with respect to corporate decisions. Support is recommended.

Vote Cast: *For*

Results: For: 41.4, Abstain: 1.3, Oppose/Withhold: 57.4,

##### 5. *Shareholder Resolution: Written Consent*

**Proponent's argument:** Shareholders request that our board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. " IBM now requires 40% of shares that cast ballots at the annual meeting to call a special shareholder meeting – a higher level than the 10% of shares outstanding permitted by many states of incorporation. Dozens of Fortune 500 companies provide for both shareholder rights – to act by written consent and to call a special meeting. Our higher 40% threshold for shareholders to call a special meeting is one more reason that we should have the right to act by written consent. Plus our higher 40% threshold has bureaucratic pitfalls that trigger minor shareholder errors that could mean that 60% of shares would need to ask for a special meeting in order to be sure of obtaining the threshold of 40% of requests without errors."

**Company's response:** The Board recommends a vote against this proposal. "This proposal has been repeatedly rejected by IBM shareholders. This year's version of the proposal inaccurately describes the number of shares required to call a special meeting of the shareholders of IBM. IBM's corporate governance provisions call for a threshold of 25% of shareholders to call a special meeting, not 40% of shares that cast ballots at the annual meeting. The Company's by-laws plainly state that "Special meetings of the stockholders, unless otherwise provided by law, may be called at any time by the Chairman of the Board or by the Board, and shall be called by the Board upon written request delivered to the Secretary of the Corporation by the holder(s) with the power to vote and dispose of at least 25% of the outstanding shares of the Corporation" [...] IBM has long demonstrated its commitment to sound principles of corporate governance, working to ensure that its practices protect and further the interests of its stockholders. In addition to stockholders' right to call a special meeting, IBM has: a proxy access by-law provision; annual election of directors by majority vote; the right to remove directors without cause; no supermajority provisions in our charter documents; annually-enhanced proxy disclosure that gives stockholders extensive insight into the Board's oversight of management; and best-in-class, year-round engagement with our stockholders."

**PIRC analysis:** There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more

quickly. Since the company has weak or no special meeting rights, written consent rights are very important. A vote for the resolution is recommended.

*Vote Cast: For*

*Results: For: 38.0, Abstain: 1.7, Oppose/Withhold: 60.3,*

### **ATLAS COPCO AB AGM - 27-04-2021**

#### *9.a.1. Elect Staffan Bohman - 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: 84.5, Abstain: 1.1, Oppose/Withhold: 14.3,*

#### *9.a.3. Elect Johan Forssell - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he was a member of the management group of Investor AB, which holds a significant percentage of the Company's voting rights and issued share capital. Furthermore the director is not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*Results: For: 79.9, Abstain: 0.9, Oppose/Withhold: 19.1,*

#### *9.a.7. Elect Hans Stråberg - Chair (Non Executive)*

Non-Executive Chair. he Director is also not considered independent as the director is considered to be connected with a significant shareholder: Investor AB where he sits on the Board of Directors.

*Vote Cast: Oppose*

*Results: For: 80.7, Abstain: 1.3, Oppose/Withhold: 18.0,*

#### *9.a.8. Elect Peter Wallenberg Jr - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Investor AB where he served on the board of directors. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*Results: For: 81.2, Abstain: 1.4, Oppose/Withhold: 17.4,*

#### *9.b. Elect Hans Stråberg - Chair (Non Executive)*

Non-Executive Director. The Director is also not considered independent as the director is considered to be connected with a significant shareholder: Investor AB where he sits on the Board of Directors.

*Vote Cast: Oppose*

*Results: For: 84.1, Abstain: 1.4, Oppose/Withhold: 14.5,*

#### *11.a. Approve the Remuneration Report*

It is proposed to approve the remuneration report. Variable remuneration is 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 long term 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: 79.6, Abstain: 1.5, Oppose/Withhold: 18.9,

## OTIS WORLDWIDE CORPORATION AGM - 27-04-2021

### 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: DCB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.7, Abstain: 0.3, Oppose/Withhold: 12.0,

## TRAVIS PERKINS PLC AGM - 27-04-2021

### 3. *Approve Remuneration Policy*

**Policy Rating: CDC** Changes proposed: i) Introduction of a Restricted Share Plan replacing the former Performance Share Plan and Co-investment plan, ii) The pension allowance for the CFO was reduced from 25% to 20% of salary from 1 January 2020 and frozen as a monetary amount of GBP 105,530 from that date. The pension allowance will be further reduced to the wider workforce rate of 10% of salary with effect from 1 January 2023 and iii) Executive Directors who step down from the Board following the adoption of this policy will be expected to maintain a minimum shareholding of two x base salary (or actual shareholding if lower) for a period of two years following stepping down from the Board.

Total potential variable pay could reach 305% of the salary, which exceed the limit of 200% of the salary and is deemed excessive. Annual Bonus performance measures are: adjusted operating profit (50%), Free Cash Flow (20%) and performance against a strategic tracker (30%). Half the bonus is deferred to shares for a three-year period. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. The new Restricted Share Plan will replace the previous LTIP awards. Under the new plan awards will be subject to performance underpins measured over the vesting periods. For Executive Directors awards will normally vest 75% on the third anniversary of the award and 25% on the fifth anniversary. The first tranche will be subject to a two year holding period so that the total time horizon is five years for the entire awards. Executive Directors' contracts do not have a fixed expiry date but can be terminated by serving notice. Contractual notice periods for Directors are normally set at six months' notice from the Director and 12 months' notice from the Company and the Company would normally honour contractual commitments in the event of the termination of a Director.

Vote Cast: *Oppose*

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

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

The authority is limited to 33% of the Company's issued share capital and expires at the next AGM. Within acceptable limits. However, the proposal was met with significant opposition of 13.65% in the 2020 AGM and the company did not disclosed how it address the issue with the shareholders. On balance abstention is recommended.

Vote Cast: *For*

Results: For: 88.3, Abstain: 0.0, Oppose/Withhold: 11.7,

#### 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: 86.8, Abstain: 0.1, Oppose/Withhold: 13.0,

#### 21. *Approve Restricted Share Plan*

It is proposed to approve the Restricted Share Plan (RPS) of the company which shall replace the LTIP awards for the Executive Directors. The RSP will be administered by the Board of Directors of the Company or by any duly authorized committee. Awards may be granted by the Board as conditional awards of, or nil-cost options over, ordinary shares in the Company ("Shares") or cash-based awards relating to a number of "notional" Shares. Awards will usually be subject to consideration by the Board of performance underpins over the vesting period, which will not be less than three years. It is currently intended that 75% of the award will have a three-year vesting period, whilst the remaining 25% of the award will vest after five years. The 75% of an award with a three-year vesting period will also be subject to a two-year holding period. Executive Directors will be subject to performance underpins based on two key areas: i) return on invested capital and ii) satisfactory governance performance (including no ESG issues resulting in material reputational damage to the Company). Maximum opportunity for the award is 125% of the salary. 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: 88.0, Abstain: 0.0, Oppose/Withhold: 12.0,

### WELLS FARGO & COMPANY AGM - 27-04-2021

#### 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: ACC. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 57.3, Abstain: 0.9, Oppose/Withhold: 41.9,

#### 4. *Shareholder Resolution: Amend Proxy Access Right*

**Proponent's argument:** Shareholders request that our board of directors take the steps necessary to enable as many shareholders as may be needed to aggregate their shares to equal 3% of our stock owned continuously for 3-years in order to enable shareholder proxy access. "Due to the disgusting parade of Wells Fargo corporate scandals it would be an advantage to have a more readily useable version of shareholder proxy access to elect new ethical watchdog directors."

**Company's response:** The board recommends a vote against this proposal. "Our existing proxy access provision is in line with best practices reflected in the market. A recent study published by Sidley Austin LLP summarizes proxy access provisions adopted since January 1, 2015 and, after analyzing provisions adopted by 644

companies, concludes that a nominating group size limit of 20 was by far the most common limit, averaging 93% of the companies surveyed. In addition, setting a reasonable limit of 20 on the number of shareholders that can comprise a nominating group is critical to controlling administrative costs and burdens that would impact our Company if there were no limit on the number of shareholders who could aggregate their shares to reach an ownership level representing a meaningful interest in the Company. "

**PIRC analysis:** The move, which would strengthen shareholder democracy is supported; and it is considered that the proposal would help to increase independent representation on the Board. The requested threshold for holding requirement for nominators is considered sufficient. Furthermore, the nomination of new Board members would facilitate greater independence in the oversight of the Company. Support is therefore recommended.

Vote Cast: *For*

Results: For: 31.4, Abstain: 0.8, Oppose/Withhold: 67.8,

#### *5. Shareholder Resolution: Amend Certificate of Incorporation to Become a Delaware Public Benefit Corporation*

**Proponent's argument:** Shareholders request the Board to approve an amendment to the company's Restated Certificate of Incorporation to become a Public Benefit Corporation pursuant to Delaware law, and to submit the proposed amendment to shareholders for approval. Such a change would enable the company to operate in a responsible and sustainable manner that balances the stockholders' pecuniary interests, and the best interests of those materially affected by the corporation's conduct. "Our company is suffering a prolonged crisis of public, government, and consumer trust, paying over 21.1 billion dollars in penalties since 2000; The crisis has caused our company to lose the trust of our depositors, due to the 3.5 million accounts using fictitious or unauthorized customer information (\$185 million dollars in penalties) and 800,000 people forced to take redundant auto insurance from 2012 to 2017 (\$80 million dollars in refunds and compensation); The Consumer Financial Protection Bureau and Office of the Comptroller of the Currency settled with our company for \$1 billion for failure to manage risk, and the United States Department of Justice settled for \$2 billion over mortgage backed securities originated by Wells Fargo; In a House Financial Services Committee hearing the Chair stated: Wells Fargo's ongoing lawlessness and failure to right the ship, suggests the bank. . . is simply too big to manage, and regulators seem unwilling to take forceful actions; In 2019 at shareholders' request, our company's Governance and Nominating Committee produced a report on the feasibility of Wells Fargo becoming a Delaware Public Benefit Corporation (PBC), but the board declined to recommend conversion of the company to a PBC. In July 2020, Delaware adopted new amendments to the public benefit law that made the adoption of the new structure more attractive and accessible. The amended law reduces certain board member fiduciary liabilities for breaches of stakeholder interests and reduces the required shareholder approval of a PBC conversion from supermajority to a majority vote."

**Company's response:** The Board recommends a vote against this proposal. "In 2020, the Board commissioned and published an independent third-party study and report on the feasibility of taking the necessary actions to become a Delaware public benefit corporation. The Board concluded, and continues to believe, that converting to a Delaware public benefit corporation is not in the best interests of the Company and is unnecessary because the Company's existing corporate form provides our management team and Board with appropriate flexibility to promote the interests of our various stakeholders and to manage important public benefit issues without incurring the costs and generating the uncertainties, risks, and distractions involved with converting to a public benefit corporation. Wells Fargo has long believed that it has a fundamental commitment to all of its stakeholders, including customers, employees, regulators, suppliers, communities, and shareholders, and that focusing on the needs of all of its stakeholders drives long-term value creation. Under Wells Fargo's existing corporate governance structure, the Board's Corporate Responsibility Committee oversees – and our management team directs – Wells Fargo's policies, programs, and strategies regarding public interest and social responsibility matters."

**PIRC analysis:** Many CEOs signed up to the Business Roundtable's Statement on the Purpose of a Corporation, which radically changed the relationship between corporations and their stakeholders, specifically challenging the primacy of the shareholder. While many CEOs signed the pledge, few companies actually made any changes to or announcements of changes to their governance documents, including bylaws, Articles of Incorporation and committee charters. Therefore shareholders are not aware whether signing the pledge has changed the purpose of the corporation or not. If there has been no indication of how the pledge will be implemented or even if the pledge has been implemented, shareholders have the right to ask if anything has changed. Companies claiming that the pledge has been substantially implemented will need to provide evidence of that. Support for the resolution is recommended.

Vote Cast: For

Results: For: 3.0, Abstain: 1.2, Oppose/Withhold: 95.7,

#### 6. Shareholder Resolution: Report on Incentive-Based Compensation and Risks of Material Losses

**Proponent's argument:** The Comptroller of the State of New York requests that the Board prepare a report, at reasonable cost, disclosing to the extent permitted under applicable law and Wells Fargo's contractual, fiduciary or other obligations (1) whether and how the Company has identified employees or positions, individually or as part of a group, who are eligible to receive incentive-based compensation that is tied to metrics that could have the ability to expose Wells Fargo to possible material losses, as determined in accordance with generally accepted accounting principles; (2) if the Company has not made such an identification, an explanation of why it has not done so; and (3) if the Company has made such an identification, the: (a) methodology and criteria used to make such identification; (b) number of those employees/positions, broken down by division; (c) aggregate percentage of compensation, broken down by division, paid to those employees/positions that constitutes incentive-based compensation; and (d) aggregate percentage of such incentive-based compensation that is dependent on (i) short-term, and (ii) long-term performance metrics, in each case as may be defined by Wells Fargo and with an explanation of such metrics.

**Company's response:** The Board recommends a vote AGAINST this proposal, which is identified as Item 6 on the proxy card, for the following reasons: Our Incentive Compensation Risk Management program, which is overseen by the Board's Human Resources Committee, covers all incentive-eligible roles across the Company and consideration of all of our financial and non-financial risks. All incentive plans undergo an annual risk review under this program. Wells Fargo uses a comprehensive set of controls in connection with our incentive compensation programs, which have continued to be enhanced and are overseen by management and ultimately, the Board's Human Resources Committee, and include: Processes for identification and heightened oversight of roles that may be able, individually or as a group, to expose Wells Fargo to material risk, including our executive officers, senior roles with significant responsibility for taking, identifying, managing, or controlling risk within a line of business or corporate function; and groups of employees who, taken together, may expose the organization to material risk or are subject to specific regulatory requirements (referred to as Identified Roles). An assessment of risk accountability in annual performance reviews for every Wells Fargo employee, and the consideration of this assessment in incentive compensation decisions for applicable incentive-eligible employees. New for 2020, the formation and implementation of management steering committees for each business group and enterprise function that, among other things, assess accountability for risk failures within their business or function and make appropriate accountability impact recommendations as a result of those risk failures for Identified Roles. New for 2020, a horizontal review was conducted by management of key risk issues, accountability for them, and the results of that review and recommended compensation impacts were reported to the Human Resources Committee to inform final compensation decisions. In 2020, the Human Resources Committee approved a comprehensive Clawback and Forfeiture Policy that significantly strengthens the Company's ability to hold the Company's executive officers and certain other members of senior management accountable for misconduct or risk events through clawback or forfeiture of compensation.

**PIRC analysis:** The identification of Material Risk Takers (MRT) roles is provided for in overseas legislation which is seen as best practice, such as Capital Requirements Directive 2019/878 ("CRD V") of the European Commission, which applies specifically to banks and other financial institutions. Material Risk Takers are staff whose professional activities have a material influence over the bank's performance or risk profile and it is of vital interest for companies that their remuneration be aligned not only to quantified performance metrics (for the purpose of reward) but also to the degree of risk to which the company is exposed, due to the nature and the impact of their decisions. The company has taken some measures that will allow a better control ex post of the payable amount (such as claw-back); however, this proposal is only requesting for a report that identifies MRTs and maps the risks associated with the nature of their decisions before potential negative impacts on the company. This proposal is seen as largely in line with the scope and the purpose of best practice in remuneration for key staff in financial institution. Support is recommended.

Vote Cast: For

Results: For: 25.3, Abstain: 1.1, Oppose/Withhold: 73.5,

#### 7. Shareholder Resolution: Report on Racial Equity Audit

**Proponent's argument:** Service Employees International Union Pension Plans Master Trust urge the Board of Directors to oversee a racial equity audit analyzing Wells Fargo & Company's (WFC) adverse impacts on nonwhite stakeholders and communities of color. 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 WFC's website. "High-profile police killings of black people – most recently George Floyd – have galvanized the movement for racial justice. That movement, together with the disproportionate impacts of the COVID-19 pandemic have focused the attention of the media, the public and policy makers on systemic racism, racialized violence and inequities in employment, health care, and the criminal justice system. In June 2020, WFC CEO Charles Scharf urged that "the inequality and discrimination that has been so clearly exposed . . . must not continue," and WFC announced initiatives to improve workforce diversity and inclusion and invest in black-owned businesses.<sup>12</sup> Those actions followed some missteps: Scharf's statement that he appointed white men to top jobs after arriving at WFC because of "a very limited pool of Black talent," demoralizing black employees, and the loss of black female top managers.<sup>13</sup> WFC's problems predate Scharf's 2019 arrival. WFC has settled employment discrimination claims on several recent occasions, including incidents of race discrimination in 2014 uncovered through a Labor Department audit. The Ninth Circuit recently allowed a lawsuit brought by the City of Oakland to proceed; it sued to recover property tax revenues lost due to foreclosures on "predatory loans," which WFC made more than twice as often to black and Latino borrowers.<sup>14</sup> A similar lawsuit by the City of Philadelphia was settled in 2019. In 2012, the same discriminatory lending practices were the subject of a \$184 million Department of Justice settlement."

**Company's response:** The board recommends a vote against the proposal. Wells Fargo is currently conducting a Human Rights Impact Assessment (HRIA), which is being overseen by the Board's Corporate Responsibility Committee, to assess and determine the Company's human rights risks and that includes a specific focus on racial equity. Wells Fargo has engaged a third party to conduct the HRIA during 2021 and will publicly report a summary of the HRIA results and actions being taken by Wells Fargo in response. As part of the HRIA, Wells Fargo will be seeking feedback and input from external stakeholders, including members of the Company's external Stakeholder Advisory Council – seven external experts and national thought leaders representing groups focused on civil rights, human rights, consumer rights, fair lending, the environment, and governance. The HRIA also will include input received from external stakeholders and employees across our businesses and functions on a range of topics relating to racial equity, including: Employee experience and culture Corporate purpose and strategy Processes, products, and services Philanthropy and public affairs Key goals of the HRIA include embedding within our governance processes a focus on racial equity and enhancing our dialogue and communications with our various stakeholders on matters relating to human rights, including racial equity. As part of this work, Wells Fargo will update our Human Rights Statement to better align with the expectations of companies under the United Nations Guiding Principles on Business and Human Rights.

**PIRC analysis:** There has been a growing amount of evidence linking (among other issues) poverty, racial segregation and poor access to health system in the US, apparently even 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: 12.9, Abstain: 1.6, Oppose/Withhold: 85.5,

## THE PNC FINANCIAL SERVICES GROUP INC. AGM - 27-04-2021

### 4. Shareholder Resolution: Report on Risk Management and Nuclear Weapon Industry

**Proponent's argument:** The Sisters of St. Joseph of Brentwood request that the Board of Directors issue a report, at reasonable cost and omitting proprietary information, assessing the effectiveness of PNC's Environmental and Social Risk Management (ESRM) systems at managing risks associated with lending, investing, and financing activities within the nuclear weapons industry. "Under the UN Guiding Principles on Business and Human Rights, PNC has a responsibility to identify, prevent, mitigate, and account for how it addresses its adverse human rights impacts. This requires carrying out human rights due diligence, covering adverse impacts that PNC may cause, contribute to, or be directly linked to through its operations, products, services, or business relationships. This applied regardless of the size or scope of those activities. PNC lends over \$1.6 billion to nuclear weapons companies, including General Dynamics and others. Geopolitical uncertainty and erosion of

several arms control treaties leaves the world at its highest ever vulnerability to a nuclear weapons catastrophe. Nuclear weapons are weapons of mass destruction, indiscriminate by nature, and illegal under international law. [...] Investor screens for nuclear weapons companies are increasing, with over 75 major financial institutions adopting policies to end relationships with the nuclear weapons industry."

**Company's response:** The Board of Directors recommends a vote against this shareholder proposal : " The Board recently reviewed our lending relationships with companies connected to the nuclear defense industry, and the potential risks these relationships present. The Board concluded that these relationships do not pose a material credit, legal or reputational risk to PNC and are consistent with our Environmental and Social Risk Management ("ESRM") framework. The companies the shareholder proponents have characterized as "nuclear weapons companies" are in fact large and diversified companies that provide a myriad of products and services that benefit society and enhance the quality of human life. The vast majority of these companies' operations and revenue bear no relationship to nuclear weapons. Our exposure to these companies is small - they represent less than 0.3% of our total loan portfolio at December 31, 2020; our lending represents approximately 2% of these companies' capital structures; and an independent third party ranked PNC 89th among financial organizations in its exposure to these types of companies, while the institutions ranked ahead of PNC have in aggregate over 700 times more exposure."

**PIRC analysis:** In 2017, the Treaty on the Prohibition of Nuclear Weapons (TPNW) was adopted by the United Nations and includes a comprehensive set of prohibitions on participating in any nuclear weapon activities: develop, test, produce, acquire, possess, stockpile, use or threaten to use nuclear weapons. However, a report from 2019 found that over USD 748 billion was invested in the top 18 nuclear weapons companies between January 2017 and January 2019, grown from USD 325 billion in 2017. Following the ban on the use of nuclear weapons signed by 120 countries within the TPNW, nuclear weapons are however still produced and sold to countries who did not adhere to the TPNW. The production of nuclear weapons requires a significant amount of investment capital contributed by private financial institutions. Given that nuclear weapons are a weapon of mass destruction whose consequences are incalculable, it is of vital interest for shareholders and stakeholders that companies stop financing their production regardless of how small could be their exposure. Any nuclear project is examined against three sets of standards, which includes adherence to international standards. As such, nuclear-related projects that are not related to weapons should automatically be filtered out. In addition, this proposal is not asking for a ban on the investment in nuclear-related projects, rather a report that shows the exposure to nuclear weapons. This proposal follows international initiatives both in the US and internationally: most recently, in May 2020, it was reported that 16 Japanese financial institutions would refrain from investing in and extending loans to companies involved in the manufacturing of nuclear weapons and delivery systems. The company outlines the global situation on nuclear-related investments, but it does not appear to clarify the proponents' issues or bring a case as of why such report would be counter-productive. Support is recommended.

Vote Cast: *For*

Results: For: 7.8, Abstain: 1.8, Oppose/Withhold: 90.4,

## CITIGROUP INC. AGM - 27-04-2021

### 2. Ratify KPMG LLP as Auditors

KPMG proposed. Non-audit fees represented 7.08% of audit fees during the year under review and 12.12% 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: 88.0, Abstain: 0.2, Oppose/Withhold: 11.8,

### 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: ADE. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.6, Abstain: 0.3, Oppose/Withhold: 13.1,

#### 5. *Shareholder Resolution: Proxy Access*

**Proponent's argument:** John Chevedden requests that the board of directors take the steps necessary to enable as many shareholders as may be needed to aggregate their shares to equal 3% of our stock owned continuously for 3-years in order to enable shareholder proxy access. " The current arbitrary maximum quota of 20 shareholders to initiate shareholder proxy access can be called Catch-22 Proxy Access. In order to assemble a group of 20 shareholders, who have owned 3% of the stock for an unbroken 3-years, one would reasonably need to start with about 60 shareholders who own 9% of company stock for an unbroken 3-years because initiating proxy access is a complicated process that is easily susceptible to errors. The 60 shareholders could then be whittled down to 40 shareholders because some shareholders would be unable to timely meet all the paper chase requirements. After the 40 shareholders submit their paperwork to management - then management might arbitrarily claim that 10 shareholders do not meet the requirements and management might convince another 10 shareholders to withdraw - leaving 20 shareholders. But the current rule does not allow 40 shareholders to submit their paperwork to management to end up with 20 qualified shareholders. And 60 shareholders who own 9% of company stock for an unbroken 3-years might determine that they own 51% of company stock when length of unbroken stock ownership is factored out. Plus it would be easier to simply call for a special shareholder meeting because 15% of shares can call for a special meeting and there is no 3-year unbroken stock ownership needed to qualify."

**Company's response:** The board recommends a vote against the proposal. "Citi's Proxy Access By-law is within the mainstream of other significant U.S. public companies with proxy access rights. Specifically, our By-laws permit a stockholder, or a group of up to twenty stockholders, owning at least three percent of Citi's outstanding shares of common stock continuously for at least three years, to nominate and include in our annual meeting proxy materials director nominees constituting twenty percent of the Board (but no fewer than two nominees), subject to the other procedural requirements specified in our By-laws. In fact, all of the provisions sought by the Proponent, except for the provision permitting an unlimited number of stockholders to aggregate their holdings to nominate candidates, are already included in Citi's Proxy Access Bylaw. A recent study published by Sidley Austin LLP in 2020 summarizes proxy access provisions adopted since January 1, 2015 and, after analyzing proxy access provisions, concluded that a nominating group size limit of 20 is by far the most common (602 out of 644 companies (93%)) of the companies surveyed. Citi's Proxy Access provisions, including its group aggregation limit, are in line with best practices among U.S. corporations."

**PIRC analysis:** The move, which would strengthen shareholder democracy is supported; and it is considered that the proposal would help to increase independent representation on the Board. The requested threshold for holding requirement for nominators is considered sufficient. Furthermore, the nomination of new Board members would facilitate greater independence in the oversight of the Company. Support is therefore recommended.

Vote Cast: *For*

Results: For: 32.0, Abstain: 0.4, Oppose/Withhold: 67.6,

#### 6. *Shareholder Resolution: Introduce an Independent Chair Rule*

**Proponent's argument:** Kenneth Steiner requests that the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy could be phased in for the next CEO transition. "If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is temporarily waived if in the unlikely event no independent director is available and willing to serve as Chair. This proposal topic won 52% support at Boeing and 54% support at Baxter International in 2020. Support for this proposal topic jumped from 34% to 52% in one year at Boeing. Citigroup stock is down from \$79 in late 2019. Support for this proposal topic received 17% higher support at U.S. companies in 2020. Since management performance setbacks often result in higher support for this proposal topic, the mere submission of this proposal may be an incentive for our Chairman of the Board to perform better leading up to the 2021 annual meeting. The role of the CEO and management is to run the company. The role of the Board of Directors is to provide independent oversight of management and the CEO. There is a potential conflict of interest for a CEO to have the oversight role of Chairman."

**Company's response:** The board recommends a vote against the proposal: "Since 2009, Citi has had an independent Chair separate from the CEO. The Board firmly

supports having an independent Director in a Board leadership position at all times. As such, Citi's Board, on December 15, 2009, adopted a By-law amendment which provides that if Citi does not have an independent Chair, the Board will elect an independent Lead Director having similar duties to an independent Chair, including leading the executive sessions of the non-management Directors at Board meetings. Citi's Board has determined that the current structure, an independent Chair separate from the CEO, is the most appropriate structure at this time, while ensuring that, at all times, there will be an independent Director in a Board leadership position. Since Citi's Board has adopted a framework that provides for either an independent Chair or an independent Lead Director, the Board believes that this Proposal is not necessary. "

**PIRC analysis:** 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. It is considered that an independent Chair can provide independent oversight of management and facilitates clearer lines of accountability with respect to corporate decisions. Although the company currently applies this principle, it is considered that adopting this policy would set it into the company practice. Support is recommended.

Vote Cast: *For*

Results: For: 18.3, Abstain: 0.2, Oppose/Withhold: 81.5,

#### *7. Shareholder Resolution: Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates*

**Proponent's argument:** James McRitchie and Myra Young urge the board to adopt a policy ('Policy') of promoting significant representation of employee perspectives among corporate decision makers by requiring the initial list of candidates from which new director nominees are chosen ('Initial List') by the Nominations and Governance Committee include (but need not be limited to) non-management employees. The Policy should provide that any third-party consultant asked to furnish an Initial List will be requested to include such candidates. "There is growing consensus that employees on corporate boards can contribute to long-term corporate sustainability. Policymakers note, having companies run exclusively to benefit shareholders contributes to "stagnant wages, runaway executive compensation and underinvestment in research and innovation." The Business Roundtable asks corporations to align with stakeholder interests, including employees Employee representation grows long-term value of companies in several ways. According to the National Bureau of Economic Research, giving workers formal control rights increases female board representation and raises capital formation. Employees are also often more diverse than boards in terms of race, gender, and wealth. The German "co-determination" model of shared governance provides a check against short-term capital allocation practices. The 2018 UK Corporate Governance Code encourages boards to establish a method for gathering workforce views. Options include a director appointed from the workforce, a formal workforce advisory panel or designating a director to liaise with workers. Senators Baldwin and Warren introduced legislation codifying employee representation on corporate boards, noting that modern corporate governance needs to be accountable wider interests, notably employees. Polling demonstrates bipartisan public support (over 53%) for employee representation." "

**Company's response:** The board recommends voting against the proposal. "The Proposal requests that Citi promotes significant employee representation on the Board by adopting a Rooney Rule Policy mandating that the initial list of board candidates include non-management employees. The proponent believes by adopting this policy, the benefits to the Board, among others, would be increasing diversity and providing an avenue to gather workforce views. At Citi, there is no prohibition on nominations by or of employees; the procedures for doing so are outlined on pages 45-46 of this Proxy Statement. The Board believes it is problematic to mandate inclusion of individuals on the candidate list based on a single qualification – employment by Citi – without requiring that such candidates meet Citi's overall Director Qualifications. Adopting such a practice would require us to deviate from our existing rigorous processes and could diminish the effectiveness of our Board. We believe an employee candidate for the Board of Directors should be evaluated by the same standards and criteria as any other candidate. The Board believes that changing its process regarding board nominations and memberships to include Company employees as outlined by this Proposal is unnecessary to address the concerns the Proposal purports to address; could cause Citi to be non-compliant with the Company and regulatory independence requirements; and will not enhance value for our stockholders or employees. "

**PIRC analysis:** It is considered that the appointment of representatives of (non-management) employees to the board has the potential to create a positive influence in areas of decision making normally reserved for the Board and senior management. The election of employee-representative director(s) is common practice in a number of major economies, and is considered to be an effective way of ensuring that employee views and concerns are considered properly at board level.



Vote Cast: *For*

Results: For: 5.9, Abstain: 0.5, Oppose/Withhold: 93.6,

#### 8. *Shareholder Resolution: Report on Lobbying Payments and Policy*

**Proponent's argument:** Miller/Howard Investments, Inc. request that the board prepares a report, updated annually, disclosing: 1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications. 2. Payments by Citigroup 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 and the Board's decision-making process and oversight for making payments described in section 2 above. For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation, and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Citigroup is a member. Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state, and federal levels. The report shall be presented to the Nomination, Governance and Public Affairs Committee and posted on Citigroup's website.

**Company's response:** The board recommends a vote against this proposal. "The Proposal would be substantively duplicative and not an effective use of Citi's resources as Citi already has a comprehensive system of reporting on its lobbying activities and political contributions. Citi discloses its lobbying activities as required by law in the more than 21 states in which it is actively engaged in lobbying, and at the federal level. Citi provides this information on its website, which allows stockholders to access Citi's filings in the states or under the Lobbying Disclosure Act to view the issues on which Citi engages through its lobbying efforts. Citi also publishes annually on its website its political contributions made by the Citi Political Action Committees. Finally, Citi lists the names of the significant trade and business associations in which it participates."

**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: 23.0, Abstain: 0.8, Oppose/Withhold: 76.2,

#### 9. *Shareholder Resolution: Report on Racial Equity Audit*

**Proponent's argument:** CtW Investment Group proposes that the Board of Directors oversees a racial equity audit analyzing Citi's adverse impacts on nonwhite stakeholders and communities of color. 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 Citi's website. " High-profile police killings of black people-most recently George Floyd-have galvanized the movement for racial justice. That movement, together with the disproportionate impacts of the COVID-19 pandemic have focused the attention of the media, the public and policy makers on systemic racism, racialized violence and inequities in employment, health care, and the criminal justice system. In September 2020, CEO Michael Corbat noted Citi "[was] committed to leading the way and investing in communities of color to build wealth and strong financial futures." Citi has committed \$1 billion over four years to close the racial wealth gap."

**Company's response:** The board of director recommends to vote against the proposal. "Citi has made a commitment to social justice and racial equity in its operations, business dealings, and engagement with stakeholders, customers and employees. As recently as September 2020, Citi released a 104 page report on the economic cost of Black inequality in the United States titled Closing the Racial Inequality Gaps, and shortly thereafter Citi announced its Action for Racial Equity Initiative which pledged more than \$1 billion in strategic initiatives to help close the racial wealth gap and increase economic mobility in the United States. The reports generated by Citi's ongoing work in the areas of social justice and racial equity are made widely available to the public, including all of Citi's stakeholders. Given Citi's commitment to addressing racial disparities in banking, matters of social justice, and the racial wealth gap, and the resulting reports and disclosures Citi publishes in furtherance of its commitment, Citi believes it is already addressing the intent of this Proposal - to help Citi identify, prioritize, remedy and avoid adverse impacts on nonwhite

stakeholders and communities of color -thereby rendering the Proposal unnecessary. While we disagree with the overall approach in this Proposal, we are completely aligned with its stated goal of addressing racial inequity in the financial sector. "

**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: 37.8, Abstain: 2.1, Oppose/Withhold: 60.1,

#### 10. *Shareholder Resolution: Amend Certificate of Incorporation to Become a Public Benefit Corporation*

**Proponent's argument:** Harrington Investments, Inc. proposes that the board of directors approves an amendment to the company's Restated Certificate of Incorporation to become a Public Benefit Corporation (PBC) pursuant to Delaware law, and to submit the proposed amendment to shareholders for our approval. Such a change would enable the company to operate in a responsible and sustainable manner that balances the stockholder's pecuniary interests, and the best interests of those materially affected by the corporation's conduct.

**Company's response:** The board recommends a vote against the proposal. The Stockholder Proposal requests that the Board approve an amendment to the Company's Restated Certificate of Incorporation to become a public benefit corporation under Delaware corporate law and to submit the proposed amendment for approval by stockholders. The Proponent states that, if Citi converts to a public benefit corporation, Citi would act in a "responsible and sustainable manner" for all stakeholders. The Board believes Citi has clearly demonstrated that it acts in a "responsible and sustainable manner" in the way it provides its services and operates its business, in the way it engages with the communities in which it operates, in the way it recruits, develops and promotes its people and in the way it engages in the financial markets – all of which inure to the benefit of its stockholders and the broader base of its stakeholders. Citi has shown its commitment to acting in a responsible and sustainable manner through, among other things, its leadership in environmental and sustainability issues; its efforts to address racial disparities in the availability of services in the banking industry, its commitment to help eradicate the racial wealth gap; its commitment to strengthening diversity in its Board, leadership, workforce and the entities with which it does business; and its willingness to take public positions on issues of societal importance.

**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: 2.5, Abstain: 0.7, Oppose/Withhold: 96.8,

### FMC CORPORATION AGM - 27-04-2021

#### 1h. *Elect Paul J. Norris - 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. In addition, it is noted that the director is a member of the Compensation and Organization Committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 86.0, Abstain: 3.1, Oppose/Withhold: 10.9,

## DNB BANK ASA AGM - 27-04-2021

### 10. Amend Articles: Number of Directors

It is proposed to amend the articles to read: "The Board of Directors consists of nine to eleven members and must represent broad and varied interests. Three of the members of the Board of Directors and deputy members must be employees of the DNB Group if so required by the majority of the employees." No significant concerns have been identified. The proposed amendments are in line with applicable regulation. Support is recommended.

Vote Cast: *For*

Results: For: 78.3, Abstain: 1.2, Oppose/Withhold: 20.5,

## LONDON STOCK EXCHANGE GROUP PLC AGM - 28-04-2021

### 3. 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 as the salary for the Chief Executive increased by 2% for the year under review and the workforce salary increased by 3%. However, the CEO salary is in the upper quartile of the competitor group which is raised concerns over excessiveness.

**Balance:**The total realized awards made all incentive schemes are not considered acceptable standing at 726% of base salary for the CEO. In addition, the ratio of CEO pay compared to the average employee is not considered acceptable at 30:1. The balance of realized pay with financial performance is considered acceptable as changes in CEO total pay over the last five years are considered in line with changes in TSR performance during the same period.

Rating: AD

Vote Cast: *Oppose*

Results: For: 75.2, Abstain: 1.6, Oppose/Withhold: 23.1,

## GRAFTON GROUP PLC AGM - 28-04-2021

### 3.A. Re-elect Michael Roney - Chair (Non Executive)

Non-Executive Chair, independent on appointment. However, Mr. Roney is also Chair of the Nomination Committee.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. At this time, diversity on the board is below the above-mentioned level; nevertheless, the company has stated it as target one third of the Board female representation, as set out in the Hampton-Alexander Review. Furthermore, It is not clear from company reporting that the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards, are being sufficiently addressed and acted upon. In addition, Mr. Roney 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. Finally it is noted that Mr. Roney

received significant opposition in his re-election on the 2020 Annual General Meeting of 13.9% of oppose votes and, the Company did not disclosed how it address the issue with its shareholders. Overall opposition is recommended.

Vote Cast: *Oppose*

Results: For: 53.4, Abstain: 10.1, Oppose/Withhold: 36.5,

## BRITISH AMERICAN TOBACCO PLC AGM - 28-04-2021

### 2. Approve the Remuneration Report

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The salary for the CEO increased by 3% and is in line with the workforce. However, CEO salary is in the upper quartile of the competitors group which raises concerns for potential excessiveness.

**Balance:**Changes in the CEO's total remuneration over the past five years are not in line with changes in TSR during the same period. Awards granted under the Annual Bonus and the LTIP are excessive, amounting to 228.61% of salary for the CEO. The ratio of CEO pay compared to average employee pay is not acceptable at 166:1, and significantly exceeds the recommended limit of 20:1.

Rating: AD

Vote Cast: *Oppose*

Results: For: 61.7, Abstain: 0.0, Oppose/Withhold: 38.3,

### 10. Re-elect Dr. Marion Helmes - Non-Executive Director

Independent Non-Executive Director. It is noted that the director has considerable opposition in the previous general meeting of 17.49% of the votes which the company did not disclose how it address the issue with its shareholders. Abstention is recommended.

Vote Cast: *For*

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

### 13. Re-elect Dimitri Panayotopoulos - Senior Independent Director

Senior Independent Director. Considered independent. However, Mr. Panayotopoulos received significant opposition on the 2020 AGM of 10.81% which the company did not disclose how it address the issue with its shareholders. On balance abstention is recommended.

Vote Cast: *Abstain*

Results: For: 86.1, Abstain: 0.0, Oppose/Withhold: 13.9,

### 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.

Vote Cast: *For*

Results: For: 72.3, Abstain: 0.0, Oppose/Withhold: 27.7,

### 17. Issue Shares for Cash

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

Vote Cast: *For*

Results: For: 86.3, Abstain: 0.0, Oppose/Withhold: 13.7,

### 19. *Approve Political Donations*

Approval sought to make donations to political organizations and incur political expenditure not exceeding GBP100,000 in total. The Company did not make any political donations to European Union (EU) political organizations or incur EU political expenditure and has no intention either now or in the future of doing so. However, it is noted that RAI Companies reported political contributions totaling GBP 4,851,616 (USD 6,229,475) for the full year 2020 to US political organizations, non-federal-level political party committees and to campaign committees of various non-federal candidates, in accordance with their contributions programme. Donations to political organizations are not acceptable and are contrary to best practice. An oppose vote is recommended.

Vote Cast: *Oppose*

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

## MUENCHENER RUECK AG (MUNICH RE) AGM - 28-04-2021

### 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*

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

### 8. *Approve Creation of EUR 117.5 Million Pool of Capital with Partial Exclusion of Preemptive Rights*

It is proposed to exclude pre-emption rights on shares issued under the previous resolution at this meeting. The corresponding authority for issuing shares without pre-emptive rights, requested in a previous proposal, does not exceed guidelines (10%). Support is recommended.

Vote Cast: *For*

Results: For: 89.0, Abstain: 0.0, Oppose/Withhold: 11.0,

## AMERIPRISE FINANCIAL INC. AGM - 28-04-2021

### 1a. *Elect James M. Cracchiolo - 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.

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 the concerns over the Company's sustainability policies and practice in addition to the other concerns regarding the concentration of power, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 89.8, Abstain: 0.2, Oppose/Withhold: 10.0,

### 1f. *Elect Robert F. Sharpe Jr - Senior Independent Director*

Presiding Director. It is noted this director received a significant number of oppose votes of 10.03% at the 2020 AGM. Not considered independent owing to a tenure

of over nine years. There is insufficient independent representation on the Board. It is also noted the director is a member of the compensation committee which should comprise wholly of independent directors. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the Board.

Vote Cast: *Oppose*

Results: For: 71.1, Abstain: 0.2, Oppose/Withhold: 28.7,

## 2. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. It is noted this proposal registered a significant number of oppose votes of 10.33% at the 2020 AGM. 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: BED. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.7, Abstain: 0.3, Oppose/Withhold: 11.9,

## DUPONT DE NEMOURS INC AGM - 28-04-2021

### 5. *Shareholder Resolution: Written Consent*

**Proponent's argument:** Kenneth Steiner requests that the board of directors take such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. "This proposal topic won 95%-support at Dover Corporation and 88%-support at AT&T. A shareholder right to act by written consent still affords DuPont management strong deference for any lingering status quo management mentality during the current rapidly changing business environment. Any action taken by written consent would still need 70% supermajority approval from the shares that normally cast ballots at the DuPont annual meeting to equal a majority from the DuPont shares outstanding. The right for shareholders to act by written consent is gaining acceptance as a more important right than the right to call a special meeting. The directors at Intel apparently thought they could divert shareholder attention away from written consent by making it less difficult for shareholders to call a special meeting. However Intel shareholders responded with greater support for written consent in 2019 compared to 2018. And it takes 35% of the shares that typically vote at DuPont to call a special shareholder meeting. The year 2020 marked the near extinction of in-person shareholder meetings. With the new style of tightly controlled online shareholder meetings everything is optional. For instance management reporting on the state of the company is optional. Also management answers to shareholder questions are optional even if management misleadingly asks for questions."

**Company's response:** The Board recommends a vote against this agenda item. "Under the Company's Certificate of Incorporation, any action required or permitted to be taken by the stockholders of the Company must be effected at a duly called annual or special meeting of stockholders of the Company and may not be effected by any consent in writing by such stockholders. The Company's Certificate of Incorporation and Bylaws currently provide that special meetings of stockholders may be called by the Corporate Secretary at the request in writing of the holders of record of at least 25% of the outstanding stock of the Company entitled to vote. The Company has proposed Agenda Item 4 that, if approved by the stockholders, would amend the Company's governing documents to lower the stock ownership threshold required for stockholders to call a special meeting from the current 25% threshold to 15%. The Board believes that the current mechanisms in place for stockholders to raise matters for consideration by the Company, together with the proposed lower stockholder ownership threshold for calling special meetings, are appropriate for the Company in light of its size and diverse stockholder base, and align with stockholder interests to a greater degree than action by written consent. In addition, the Company's existing corporate governance practices ensure Board accountability and encourage stockholders to express their views to the Board."

**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. There are emergency situations where convening a special meeting might take too long or

be too difficult, and written consents may be gathered more quickly. Although the company already provides for ownership of 15% of the share capital to call a special meeting, a 10% threshold is considered to be more adherent to best practice. Support is recommended.

Vote Cast: *For*

Results: For: 34.8, Abstain: 0.6, Oppose/Withhold: 64.6,

#### 6. Shareholder Resolution: Adopt Policy to Annually Disclose EEO-1 Data

**Proponent's argument:** New York City Teachers' Retirement System, New York City Employees' Retirement System and the Board of Education Retirement System request that the Board of Directors adopt a policy requiring DuPont de Nemours, Inc. to disclose on its website its Consolidated EEO-1 Report. "In a June 2nd tweet, Chairman/CEO Ed Breen announced: "[W]e're saddened and angered by the senseless killings of George Floyd, Ahmaud Aubrey, Breonna Taylor and the far too many victims that preceded them... As DuPonters, we stand together to strongly condemn these acts and declare that racism and hate have no place in our world... We must... value diversity and allow everyone to be their best without fear or prejudice... [W]e commit to you we are in this together to establish a common ground that will bring forth a common good."[...] The EEO-1 Report breaks down a company's U.S. workforce by race, ethnicity and gender according to 10 employment categories, including senior management, (individuals within two reporting levels of the CEO.) Disclosure of this Report will provide investors with critical information, including: Standardized, quantitative, and reliable data that is comparable across companies and industries, enabling investors to assess the representation of Black employees and other employees of color and women at various levels of the corporation; Specific data on senior management diversity; and Particularized data that allows investors to assess the representation of specific racial and ethnic groups by gender, such as Black female employees, in a job category – and to make meaningful, year-over-year comparisons. DuPont's 2020 GRI Index discloses only percentages for gender and separately, for an aggregate "Minority" group, across two company-specific employee categories. This extremely limited disclosure is not comparable, nor decision-useful for investors."

**Company's response:** The Board recommends a vote against this agenda item. " Beginning in 2021, our sustainability report will include disaggregated data regarding race and ethnicity. This disaggregated data will utilize commonly accepted and well-understood categorizations for ethnicity and race, which match the designations used in the EEO-1 report. Additionally, we plan to provide a breakdown of our workforce that will not only include categories for our Board and senior leadership, but also further delineate our global workforce into well-understood categories such as management, professional, and non-exempt personnel. Our sustainability report also describes our goals for diversity and inclusion and outlines our efforts to improve our workforce representation and enhance our inclusive culture. These disclosures present a more useful comparison for our stockholders to review. By contrast, EEO-1 data is based on a government form that categorizes our workforce into certain EEOC-mandated job categories that fail to account for company or industry-specific roles. As a result, there are several limitations to the data in the EEO-1 format. [...] In addition, the job categories included in the EEO-1 report are subject to interpretation and therefore may result in unreliable comparisons between us and other companies. Finally, since we are a global company, the EEO-1 report does not fully represent diversity within our company. For these reasons, EEO-1 data is neither informative nor is it an accurate measure of progress toward our goal of workplace diversity."

**PIRC analysis:** The requested report will provide shareholders with information on the company's efforts in relation to workforce diversity. While the Company's response describes the diversity initiatives it is involved in, satisfying one part of the proponent's request, it gives data only on the total make-up of its workforce as regards gender and people of colour, and manages to avoid any such disclosures for senior management, despite saying that it has increased recruitment in this area. Listing other areas of diversity which are not covered by EEOC data requirements as a reason for not disclosing EEOC data should be used to offer to improve upon the proponent's request by disclosing all areas of diversity. A specific report on the gender and ethnic make-up of the company's workforce and a description of the policies and programmes for fostering diversity of employees would enable investors to assess the company's exposure to reputational and human resource risk surrounding the issue of diversity. The request for a report is considered reasonable and a vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 82.3, Abstain: 1.8, Oppose/Withhold: 16.0,

#### 7. Shareholder Resolution: Report on Plastic Pollution

**Proponent's argument:**As You Sow request that the Board of Directors of DuPont issue an annual report to shareholders, beginning in 2021, at reasonable cost

and omitting proprietary information, on plastic pollution. "DuPont de Nemours is a leading producer of transportation and industrial plastics. Most plastic products originate from preproduction plastic pellets, or nurdles. Due to spills and poor handling procedures, pellets are routinely swept into waterways during production and transportation, and are increasingly found on beaches and shorelines. [...] Plastic pellets are estimated to be the second largest direct source of microplastic pollution to the ocean by weight, with more than ten trillion spilled every year. More than two hundred pellet, flake, and powder spills have been reported to the National Response Center since reporting began. Plastic does \$13 billion in damage to marine ecosystems annually. If no action is taken, oceans are expected to contain more plastic than fish by 2050. Pellet spills create financial risk. Formosa Plastics Corporation USA recently paid a \$50 million fine for emitting plastic pellets at its Texas facility. In August 2020, more than one billion pellets manufactured by Dow Chemical spilled into the Mississippi River. Frontier Logistics currently faces a federal lawsuit for violating the Clean Water Act and Resource Conservation and Recovery Act through the discharge of plastic pellets into Charleston Harbor and other connected waters."

**Company's response:** The Board recommends a vote against this agenda item. " We understand that plastic pollution is a global environmental issue and believe that the chemicals industry, among others, should develop policies and practices to address that issue. Currently, the Company drives sustainable practices throughout all its businesses. Reducing plastic waste, including plastics in the ocean, is a component of our sustainability strategy. For this reason, we are actively implementing Operation Clean Sweep® programs across our manufacturing sites. In addition to internal efforts and initiatives, we work with customers, members of Congress and others to support sustainability goals through the supply chain, including responsible handling of pellets, and to increase the reduction, reuse, recycling and recovery of plastic materials. For example, we have established an onsite recycling facility alongside our Tyvek® manufacturing lines in Luxembourg, which allows us to process and reuse Tyvek® production waste. To provide tangible circular benefits, we work with a global plastic converter to repurpose this waste as plastic cores around which Tyvek® can be wound. We also maintain leadership roles in industry associations that are focused on enabling and encouraging the responsible handling of plastic products after their intended use and the reduction of plastic marine debris. "

**PIRC analysis:** Reporting on sustainability issues is in shareholders' interests both as a means of informing shareholders of potential risks and opportunities faced by the company, but also as a means of ensuring that the management and board of a company gives due consideration to these issues. The company indicates that it already has initiatives in this area. However, company's reporting seems to present no better information on how much actually is recycled or recyclable, or what goals there are for achieving either 50% recyclable plastics or more. For this reason the report requested would appear to be necessary to assess where the Company has made mistakes and how it can remedy those. Support for the resolution is recommended.

Vote Cast: *For*

Results: For: 79.9, Abstain: 1.6, Oppose/Withhold: 18.5,

## **CIGNA CORPORATION AGM - 28-04-2021**

### *5. Shareholder Resolution: Provide Right to Act by Written Consent*

**Proponent's argument:** Shareholders request that the board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. " This proposal topic won our outstanding 63% support at our 2019 annual meeting. It is important to adopt this proposal because Cigna shareholders have a very limited right to call for a special meeting. All shares not held for less than one unbroken year are immediately disqualified – as though the shares were not even owned. Shareholders who own 25% of shares for one unbroken year could determine that they actual own 40% of company stock if the holding period is not counted. Taking action by written consent in place of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director. It is also more important than ever to be able to replace a director through written consent because it is almost impossible to get a Board of Directors to remove a director who gets a failed vote at the regular annual shareholder meeting. Too many Board of Directors have found ways to keep marginal directors on the Board who fail to obtain even a minimal 51%-vote when they are the only candidate."



**Company's response:** The board recommends a vote against this proposal. "Our Board is committed to robust corporate governance and believes in maintaining policies and practices that serve the interests of all shareholders. The Board understands that corporate governance is not static and continually monitors trends and developments in corporate governance and compares and evaluates them against our current practices. We regularly seek and receive input from shareholders on our practices and policies, and the Board's Corporate Governance Committee considers this input when reviewing shareholder proposals to change Cigna's practices or policies. The Board believes that Cigna's existing shareholder rights offer a more transparent and equitable mechanism for shareholders to raise matters for consideration than the proposal and that implementation of this proposal is unnecessary and not in the best interests of our shareholders. In addition, we do not believe that certain assertions in the shareholder proposal about the Company or its directors are correct. We have not attempted to refute these inaccuracies. In 2019, our Board recommended voting against a similar proposal seeking the right for shareholders to act by written consent (the 2019 proposal) for the following key reasons: the written consent process lacks the important protections and advantages that shareholder meetings offer; the written consent process does not promote transparent decision-making and could disenfranchise shareholders; and Cigna's strong corporate governance practices demonstrate our Board's responsiveness, provide shareholders with means to express their views in between annual meetings and ensure Board accountability. The Board's responsiveness is most recently evidenced by its February 2020 adoption of the right of shareholders to call a special meeting – directly in response to the 2019 proposal, as described below."

**PIRC analysis:** There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Since the company has weak or no special meeting rights, written consent rights are very important. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 44.3, Abstain: 0.7, Oppose/Withhold: 55.0,

#### 6. *Shareholder Resolution: Report on Gender Pay Gap*

**Proponent's argument:** Shareholders request that Cigna publish annually, quantitative data assessing Cigna's gender pay gap, at reasonable expense and excluding proprietary information. A report adequate for investors to assess company strategy and performance, including relative opportunities for women to attain higher paying positions in the company, would include the percentage mean and median pay gap between all male and female employees, across race and ethnicity where appropriate, and would include base, bonus and equity compensation. " A 2019 shareholder proposal asking Cigna for a Report on Gender Pay Gap received a 35.6 percent vote. Since then, Cigna has committed to "fairness in pay and opportunity for all of our employees, regardless of gender, race or ethnicity," and that it will "conduct annual pay equity reviews"<sup>1</sup> and it stated that "Cigna's pay data indicates no material differences related to gender or race."<sup>2</sup> Yet, Cigna has not released any information that explains if this is adjusted or unadjusted pay data, identifies trends, or would allow investors and employees to determine the effectiveness of these policies. This is in stark contrast to Cigna's United Kingdom (UK) operations. Since 2018 the UK has mandated disclosure of both adjusted and unadjusted (median) gender pay data, demonstrating that the publication of such data is feasible and informative. Cigna UK provides an annual gender pay report that reports mean and median gender pay gap and bonus gap, pay quartiles, what the company does well, and areas for improvement. In 2019 Cigna UK reported a 25.1 percent mean and 22.5 percent median gender pay gap, and a 34.2 percent mean and 15.3 percent median bonus pay gap.<sup>3</sup> These figures allowed stakeholders to identify an increase in the mean and median pay gap and a decrease in the mean and median bonus gap from 2018. Investors seek similar quantitative, comparable data to understand the effectiveness of Cigna U.S. pay gap policies."

**Company's response:** The board recommends a vote against this proposal. "We are committed to compensating our employees competitively and equitably, regardless of gender. Our continued success depends on the collective strengths of our employees and we are dedicated to attracting, retaining and rewarding the performance of our diverse workforce to best meet the needs of our clients and customers. We proactively monitor our compensation programs for potential disparities, including by conducting a regular annual review of pay equity. While that review is a key component of our commitment, it is only one of many initiatives Cigna has undertaken to ensure all employees are paid equitably and to develop and support a diverse and inclusive workforce. Our most recent pay equity analysis, conducted in 2020, showed that in the United States, female employees at Cigna earn 99.9 cents for every dollar earned by similarly situated male employees, and employees from underrepresented groups (which includes Black/African American, Hispanic or Latinx, Asian, Pacific Islander, American Indian/Alaskan, and employees who identified as two races or more) earn 99.7 cents for every dollar earned by similarly situated white employees."

**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: 32.3, Abstain: 0.9, Oppose/Withhold: 66.7,

#### *7. Shareholder Resolution: Disclose Board Matrix Including Ideological Perspectives*

**Proponent's argument:** The shareholders of the Cigna Corporation (the "Company") request the Board adopt a policy to disclose to shareholders the following: 1.A description of the specific minimum qualifications that the Board's nominating committee believes must be met by a nominee to be on the board of directors; and 2.Each nominee's skills, ideological perspectives, and experience presented in a chart or matrix form. The disclosure shall be presented to the shareholders through the annual proxy statement and the Company's website within six (6) months of the date of the annual meeting and updated on an annual basis. "We believe that boards that incorporate diverse perspectives can think more critically and oversee corporate managers more effectively. By providing a meaningful disclosure about potential Board members, shareholders will be better able to judge how well-suited individual board nominees are for the Company and whether their listed skills, experience and attributes are appropriate in light of the Company's overall business strategy. The Company's compliance with Item 407(c)(2)(v) of SEC Regulation S-K requires it to identify the minimum skills, experience, and attributes that all board candidates are expected to possess. Ideological diversity contemplates differences in political/policy beliefs. True diversity comes from diversity of thought. There is ample evidence that the many companies operate in ideological hegemony that eschews conservative people, thoughts, and values. This ideological echo chamber can result in groupthink that is the antithesis of diversity. This can be a major risk factor for shareholders."

**Company's response:** The Board recommends a vote against this proposal. "Cigna takes an expansive view of diversity across the organization and remains committed to diversity at the Board level. When we talk about diversity, we mean it in all dimensions, including diversity of opinion and life experience. Our Corporate Governance Committee considers the diversity of skills represented on the Board and focuses on identifying candidates that possess skills and qualifications that are complementary to the existing Board members' skills and will support Cigna's short- and long-term strategies. Our Corporate Governance Guidelines require that director nominees contribute to the overall diversity of the Board, including diversity of age, gender, and race and ethnicity as well as a range of tenure to ensure continuity and fresh perspectives. Further, our Board requires the Corporate Governance Committee, and any search firm it engages, to include women and racially and ethnically diverse candidates in the pool from which to select director candidates. The "Election of Directors" section of this proxy statement describes the director expectations and qualifications considered by the Board and the Corporate Governance Committee in selecting and nominating directors and the process for director nominations and elections; discusses recent board composition developments; details our commitment to diversity; and presents the biographies, skills, and qualifications of the director nominees."

**PIRC analysis:** The potential benefits of board diversity lie in widening the perspectives on business issues brought to bear on decision-making, avoiding too great a similarity of attitude and helping companies understand their customers, marketplace, supply chain and workforces. Disclosure surrounding the board's composition allows shareholders to consider board diversity in the context of the long-term interests of the Company. 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 has been filed by a right-wing policy think tanks as a spoiler resolution to prevent other shareholders from filing resolutions regarding the company's board 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 board, a vote against the resolution is recommended.

Vote Cast: *Oppose*

Results: For: 0.7, Abstain: 0.5, Oppose/Withhold: 98.8,

**ANHEUSER-BUSCH INBEV SA AGM - 28-04-2021****B.8.a. *Re-elect Martin J. Barrington - Chair (Non Executive)***

Non-Executive Director. Not considered independent as he is a representative of Altria, a significant shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 82.9, Abstain: 0.5, Oppose/Withhold: 16.6,

**B.8.b. *Re-Elect William F. Gifford - Non-Executive Director***

Non-Executive Director. Not considered independent as he is a representative of Altria, a significant shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 85.8, Abstain: 0.4, Oppose/Withhold: 13.8,

**B.8.c. *Re-Elect Alejandro Santo Domingo - Non-Executive Director***

Non-Executive Director. Not considered independent as he is a representative of Bevco, a significant shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 84.8, Abstain: 0.4, Oppose/Withhold: 14.8,

**B.9. *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. In addition, there are Malus clauses in place over the entirety of the variable remuneration, which is welcomed but not clawbacks. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 82.2, Abstain: 0.8, Oppose/Withhold: 17.0,

**B.10. *Approve the Remuneration Report***

It is proposed to approve the implementation of the remuneration report. 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 Malus clauses in place over the entirety of the variable remuneration, which is welcomed but not clawbacks. Opposition is recommended based on excessive remuneration.

Vote Cast: *Oppose*

Results: For: 83.6, Abstain: 0.4, Oppose/Withhold: 16.0,

## MARATHON PETROLEUM CORPORATION AGM - 28-04-2021

### 1.a. *Elect Abdulaziz F. Alkhayyal - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 76.1, Abstain: 1.2, Oppose/Withhold: 22.7,

### 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: ADC. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 30.0, Abstain: 0.6, Oppose/Withhold: 69.4,

### 7. *Shareholder Resolution: Limit Accelerated Vesting of Equity Awards Upon a Change in Control*

**Proponent's argument:** The shareholders ask the Board of Directors of Marathon Petroleum Corp., to adopt a policy that in the event of a change in control (as defined under any applicable employment agreement, equity incentive plan or other plan), there shall be no acceleration of vesting of any equity award granted to any senior executive officer, provided, however, that the Board's Compensation Committee may provide in an applicable grant or purchase agreement that any unvested award will vest on a partial, pro-rata basis up to the time of the named executive officer's termination, with such qualifications for an award as the Committee may determine. "Marathon Petroleum Corp., has a policy that in a change in control situation the Company will generally provide senior executives with the full vesting of their unvested stock options, unvested restricted stock awards and outstanding performance units (paid out based on actual performance for the period up until the change of control, and target performance for the remaining period of the performance cycle). We do not question that some form of severance payments may be appropriate in that situation. We are concerned, however, that current practices at the Company may permit windfall awards that have nothing to do with an executive's performance. We are unpersuaded by the argument that executives somehow "deserve" to receive unvested awards. To accelerate the vesting of unearned equity on the theory that an executive was denied the opportunity to earn those shares seems inconsistent with a "pay for performance" philosophy worthy of the name. We do believe, however, that an affected executive should be eligible to receive an accelerated vesting of equity awards on a pro rata basis as of his or her termination date, with the details of any pro rata award to be determined by the Compensation Committee."

**Company's response:** The Board recommends a vote against this proposal. Our Compensation and Organization Development Committee is comprised entirely of independent directors elected by our shareholders. The Board believes that our shareholders trust the Compensation and Organization Development Committee to design our executive compensation program in a way that is appropriate to drive the responsible, long-term growth of our business. The Committee continually evaluates our executive compensation programs to ensure they meet our goals of emphasizing pay for performance, aligning executive and shareholder interests and attracting, retaining and incentivizing talented executives. As discussed in more detail on pages 27 through 28, the Committee made a number of changes to our executive compensation program for 2020 and 2021 and will continue to evaluate and adjust as it deems appropriate. Implementing this policy would interfere with the Committee's discretion to design and monitor an effective executive compensation program that is responsive to business goals and market conditions. Our long-term incentive awards are designed as "double-trigger," which means that in the event of a change in control, there is no accelerated vesting of the award unless the executive also experiences a "qualified termination" of employment (e.g., involuntarily terminated without cause or departs with "good reason"). This feature is widely recognized as a good governance practice, as it prevents senior executives from receiving an automatic windfall in the event of a change in control and serves as an incentive for the senior executives to continue with the Company through and after a change in control in order to receive the benefit of their unvested equity awards.

**PIRC analysis:** The acceleration of unvested stock where it is not based on either the completion of tenure associated with the award nor the achievement of performance targets on which the award is conditional is not supported under any circumstances. In addition, employees leaving for government service might be

suspected of a conflict of interest in the case of a significant accelerated equity award. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 37.2, Abstain: 0.4, Oppose/Withhold: 62.4,

## **SCHNEIDER ELECTRIC SE AGM - 28-04-2021**

### *O.6. Approve Compensation of Jean-Pascal Tricoire, Chair and CEO*

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

Vote Cast: *Oppose*

Results: For: 87.0, Abstain: 0.4, Oppose/Withhold: 12.6,

### *O.7. Approve Remuneration Policy of Chairman and CEO*

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

Vote Cast: *Oppose*

Results: For: 79.5, Abstain: 1.9, Oppose/Withhold: 18.6,

### *O.10. Elect Anna Ohlsson-Leijon - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 87.1, Abstain: 0.1, Oppose/Withhold: 12.8,

### *O.11. Elect Thierry Jacquet - Employee Representative*

Non-Executive Director, not considered to be independent as representative of employee shareholders. It is considered that the election or re-election of representatives of employee shareholders have potential to create a positive influence in areas of decision making normally reserved for the Board and senior management. Therefore, support is advised.

Vote Cast: *For*

Results: For: 9.2, Abstain: 3.9, Oppose/Withhold: 86.9,

### *O.12. Elect Zennia Csikos - Employee Representative*

Non-Executive Director, not considered to be independent as representative of employee shareholders. It is considered that the election or re-election of representatives of employee shareholders have potential to create a positive influence in areas of decision making normally reserved for the Board and senior management. Therefore, support is advised.

Vote Cast: *For*

Results: For: 2.7, Abstain: 3.8, Oppose/Withhold: 93.4,

*O.14. Elect Malene Kvist Kristensen - Employee Representative*

Non-Executive Director, not considered to be independent as representative of employee shareholders. It is considered that the election or re-election of representatives of employee shareholders have potential to create a positive influence in areas of decision making normally reserved for the Board and senior management. Therefore, support is advised.

Vote Cast: *For*

Results: For: 2.8, Abstain: 3.8, Oppose/Withhold: 93.4,

*E.19. Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Under Items 16-18*

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

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

Vote Cast: *Oppose*

Results: For: 86.9, Abstain: 0.0, Oppose/Withhold: 13.0,

**SYNTHOMER PLC AGM - 29-04-2021**

*7. Elect Dato Lee Hau Hian - Non-Executive Director*

Non-Executive Director. Not considered independent as he is a director of the major shareholder, Kuala Lumpur Kepong Berhad Group, in addition the director serves on the Board for more than nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 80.9, Abstain: 0.0, Oppose/Withhold: 19.1,

**HEXAGON AB AGM - 29-04-2021**

*10.3. Elect Sofia Schörling Högberg - Non-Executive Director*

Non-Executive Director. Not considered independent as she serves as a Director on the Board of Melker Schörling AB since 2006, the Company's largest shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 83.6, Abstain: 1.0, Oppose/Withhold: 15.5,

### 10.7. *Elect Gun Nilsson - Chair (Non Executive)*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years. Additionally, she is considered to be connected with a significant shareholder: Melker Schörling AB. It is considered that the Chair of the Board should be independent, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 82.2, Abstain: 0.7, Oppose/Withhold: 17.1,

### 10.9. *Elect Gun Nilsson - Chair (Non Executive)*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years. Additionally, she is considered to be connected with a significant shareholder: Melker Schörling AB. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 82.9, Abstain: 0.7, Oppose/Withhold: 16.4,

### 13. *Approve Performance Share Plan for Key Employees*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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

Vote Cast: *Oppose*

Results: For: 87.5, Abstain: 1.0, Oppose/Withhold: 11.5,

## **DANONE AGM - 29-04-2021**

### 0.5. *Elect Cecile Cabanis - Executive Director*

Executive Director. Support recommended.

Vote Cast: *For*

Results: For: 81.5, Abstain: 0.3, Oppose/Withhold: 18.2,

### E.17. *Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights with Binding Priority Right up to Aggregate Nominal Amount of EUR 17 Million*

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

Vote Cast: *Oppose*

Results: For: 85.6, Abstain: 0.6, Oppose/Withhold: 13.7,

### E.18. *Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Above*

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

A green shoe authorisation enables an authorization of additional shares in the event of exceptional public demand. In this case, the authorization would increase

allow the placement of up to 15% additional new shares within a thirty day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.2, Abstain: 0.6, Oppose/Withhold: 13.2,

#### E.19. *Authorize Capital Increase of Up to EUR 17 Million for Future Exchange Offers*

Authority is sought to increase the authorised share capital of the Company up to 10%. The increase without pre-emptive rights is capped at 10% of the share capital. This is within recommended limits.

Vote Cast: *For*

Results: For: 88.6, Abstain: 0.6, Oppose/Withhold: 10.7,

#### E.20. *Authorize Capital Increase of up to 10 Percent of Issued Capital for Contributions in Kind*

The Board requests authority to issue shares and capital securities in consideration for contributions in kind up to 10% of the issued share capital over a period of 26 months. The proposal is within legal limits and cannot be used in time of public offer. Support is recommended.

Vote Cast: *For*

Results: For: 88.0, Abstain: 0.6, Oppose/Withhold: 11.4,

### **KERRY GROUP PLC AGM - 29-04-2021**

#### 4b. *Elect Hugh Brady*

Independent Non-Executive Director, member of the Nomination Committee.

Vote Cast: *For*

Results: For: 89.1, Abstain: 0.2, Oppose/Withhold: 10.7,

#### 4f. *Elect Tom Moran*

Designated non-executive director 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.

Considered independent.

Vote Cast: *For*

Results: For: 87.5, Abstain: 0.2, Oppose/Withhold: 12.3,

#### 4j. *Elect Philip Toomey*

Chair (Non Executive), Chair of the Nomination Committee. Gender balance on the Board is under 30%, which is considered as best practice in this market. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members, and members of the Nomination Committee, 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*

Results: For: 82.3, Abstain: 0.4, Oppose/Withhold: 17.3,

## GLENCORE PLC AGM - 29-04-2021

### 13. *Approve Glencore plc Incentive Plan*

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

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

Vote Cast: *Oppose*

Results: For: 79.4, Abstain: 1.1, Oppose/Withhold: 19.5,

### 15. *Approve Remuneration Policy*

**Policy Rating: ACC** Changes proposed : i) Annual bonus maximum increased from 200% to 250% with 50% of any bonus outcome deferred for three years into shares. Minor clarifications to the operation of deferral and distribution accrual and ii) Introduction of RSP. Under the new plan, the CEO will receive an annual grant of shares worth 225% of salary. The vesting is subject to an underpin, combined with a holding requirement until two years post-employment.

It is noted that, Mr. Glasenberg continues to waive entitlement to all variable elements, including both bonus and long-term incentives. His base salary and all benefits are set at less than 25% of the aggregate remuneration which would potentially have been available to him had he not waived participation in these aspects. These waivers are considered appropriate as the level of his personal shareholding is sufficient to provide a keen alignment of interest between him and of shareholders more generally without the need to add additional aspects to his package (and cost to other shareholders).

However, although the incentive plans are not in use, concerns remain in case the policy is used for future executive directors. The maximum potential award under all the variable schemes is 425% of salary which is excessive. The use of LTIP is, in principle, not supported. LTIPs are not considered an effective means of incentivizing performance as they are inherently flawed. Dividend equivalents may be paid on vested shares, which is not supported. The upside discretion given to the Remuneration Committee to disapply time-pro-rating on LTIP shares vesting upon termination is inappropriate.

Vote Cast: *Abstain*

Results: For: 72.5, Abstain: 2.3, Oppose/Withhold: 25.2,

### 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: 89.4, Abstain: 0.0, Oppose/Withhold: 10.5,

**THE WEIR GROUP PLC AGM - 29-04-2021****17. 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: 87.0, Abstain: 0.0, Oppose/Withhold: 13.0,

**19. Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment**

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

Vote Cast: *Oppose*

Results: For: 88.5, Abstain: 0.0, Oppose/Withhold: 11.5,

**EOG RESOURCES INC AGM - 29-04-2021****1g. Elect Julie J. Robertson - Non-Executive Director**

Independent Non-Executive Director. Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 75.1, Abstain: 2.5, Oppose/Withhold: 22.4,

**THE GOLDMAN SACHS GROUP INC. AGM - 29-04-2021****1e. Elect Lakshmi N. Mittal - Non-Executive Director**

Non-Executive Director. Not considered independent as Mr. Mittal is the Chairman and CEO of ArcelorMittal S.A. and beneficially owns (directly and indirectly) approximately 37% of the outstanding common shares of ArcelorMittal. Goldman Sachs currently participates in two existing credit facilities for ArcelorMittal. In addition, the director has served on the board for over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 89.4, Abstain: 0.1, Oppose/Withhold: 10.5,

**3. Amend Existing Omnibus Plan**

It is proposed to amend the [insert name of the plan]. [Detail any and all amendments to the scheme].

There are concerns with the Plan as the it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there

are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, maximum award limits are excessive. As a result, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 61.3, Abstain: 0.1, Oppose/Withhold: 38.6,

#### 5. Shareholder Resolution: *Written Consent*

**Proponent's argument:** Shareholders request that the board of directors take such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. " This proposal topic won 88%-support at an AT&T annual meeting. And this was before the shareholder right to call a special in-person shareholder meeting was eliminated by the 2020 pandemic. Goldman Sachs management put up a smoke screen of outlandish theoretical objections to this proposal topic in 2020 but failed to give a single example of its theoretical objections ever taking place at any company whatsoever. The Bank of New York Mellon Corporation (BK) said it adopted written consent in 2019 after 45%-support for a written consent shareholder proposal. And this BK action was a year before the pandemic put an end to in-person shareholder meetings - perhaps forever. It is so much easier for management to conduct an online shareholder meeting that management is now spoiled and will never want to return to an in-person shareholder meeting. Also it currently it takes the formal backing 25% of all shares in existence to call for the newly downgraded special meeting, which can be an online meeting. This means that it takes the backing of almost 33% of the shares that normally cast ballots at the annual meeting to call for a special shareholder meeting."

**Company's response:** The board recommends a vote against this proposal. "We are committed to active engagement with our shareholders and other stakeholders. Core to this is the ability for shareholders to raise important matters to our attention, including in the context of a shareholders' meeting where all shareholders have proper notice and the ability to participate. In addition to governance practices that enhance the rights of all shareholders (examples of which are described below), our firm and our Board maintain open lines of communication with our shareholders (see Stakeholder Engagement). For example, during 2020 our Lead Director met with shareholders representing over 25% of our shares outstanding on topics such as Board effectiveness, compensation, the Board's independent oversight of strategy, culture and reputational risk and Board and executive succession planning. Matters to be acted on by shareholders should be communicated to and voted on by all shareholders in the context of an annual or special meeting, with adequate time to consider the matters proposed. Our governing documents provide protections, such as advance notice and thorough public disclosure to all shareholders, for the conduct of business at annual and special meetings to ensure a transparent, well-informed, fair and equitable process."

**PIRC analysis:** There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Since the company has weak or no special meeting rights, written consent rights are very important. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 41.4, Abstain: 3.1, Oppose/Withhold: 55.5,

#### 6. Shareholder Resolution: *Report on the Impacts of Using Mandatory Arbitration*

**Proponent's argument:** The Nathan Cummings Foundation ask the Board of Directors to oversee the preparation of a public report on the impact of the use of mandatory arbitration on Goldman Sachs's employees and workplace culture. The report should evaluate the impact of Goldman Sachs's current use of arbitration on the prevalence of harassment and discrimination in its workplace and on employees' ability to seek redress. The report should be prepared at reasonable cost and omit proprietary and personal information. " Goldman Sachs requires its employees to agree to arbitrate employment-related claims. Mandatory arbitration limits employees' remedies for wrongdoing, keeps misconduct secret and prevents employees from learning about shared concerns.6 Arbitration clauses face a changing regulatory landscape. Attorneys general from every state voiced support for ending forced arbitration of sexual harassment claims in 2018. In 2019, the U.S. House of Representatives passed a bill banning mandatory arbitration. California banned the use of arbitration agreements as a condition of employment, Washington state invalidated contracts requiring arbitration of sexual harassment claims and the New York Supreme Court refused to compel arbitration in a harassment lawsuit. Continuing to rely on arbitration clauses for protections, when these may be removed retroactively, creates a long-tail risk for our company. Investors' concerns about

arbitration's potential to allow harassment and discrimination to go unseen are pertinent to Goldman Sachs, where thousands of women have alleged gender bias."

**Company's response:** The board recommends a vote against this item. "We believe disputes between our employees and the firm are best resolved in arbitration, regardless of who the employee is or what claim they are asserting. Arbitration provides important benefits to both employers and employees and is in no way used to cover up "bad behavior." Our arbitration provisions expressly carve out reports to, and charges filed with, government agencies, including the SEC, the Equal Employment Opportunity Commission and state agencies. We encourage employees to come forward to report misconduct through our robust, multi-channel internal and external complaint process. We maintain a disciplinary framework approved by our prudential regulators to ensure that misconduct, including harassment and discrimination, is investigated and addressed. Many of the firm's employees (including investment bankers, traders and private wealth advisors) are required to arbitrate any claims with the firm under FINRA rules. Our arbitration program, which is in compliance with all relevant rules and regulations, applies these rules consistently across the firm."

**PIRC analysis:** Claims that relate to or report employment issues, including harassment, in the workplace should not be considered routine operational matters. During arbitration, employees or workers are standing against company's representative in evident disparity of means. A bill to end mandatory arbitration of sexual harassment claims bill passed in the U.S. House of Representatives in September 2019, and 56 state and territorial attorneys general voiced support for it. 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. Although this bill is currently not enacted, 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. Support is recommended.

Vote Cast: *For*

Results: For: 49.2, Abstain: 7.5, Oppose/Withhold: 43.3,

#### *7. Shareholder Resolution: Amend Certificate of Incorporation to Become a Public Benefit Corporation*

**Proponent's argument:** Harrington Investments, Inc., request the Board approve an amendment to the company's Restated Certificate of Incorporation to become a Public Benefit Corporation pursuant to Delaware law and to submit the proposed amendment to shareholders for approval. Such a change would enable the company to operate in a responsible and sustainable manner that balances the stockholders' pecuniary interests, and the best interests of those stakeholders affected by the corporation's conduct. "By amending our corporation's Certificate of Incorporation to become a Public Benefit Corporation, Goldman Sachs would be structured to operate in the best interests of all of those materially affected by its conduct, which would include multiple stakeholders, including shareholders. The State of Delaware recently adopted new amendments that makes the adoption of the new structure even more attractive and accessible and reduces certain board member fiduciary liabilities for breaches of stakeholder interests. "

**Company's response:** The board recommends a vote against this item. "Converting to a public benefit corporation could create unnecessary cost and uncertainty, while providing shareholders and other stakeholders with limited, if any, benefit. Operational and Market Uncertainty. To our knowledge, only a handful of U.S. publicly traded corporations are, or have newly converted to be, public benefit corporations, and no major global financial institutions are public benefit corporations. As a result, there could be operational and market uncertainty, which could impact our ability to attract investors, should we even receive the necessary support from shareholders to undertake such a conversion. For example: There is no case law in Delaware that provides guidance regarding the balancing of obligations of directors of public benefit corporations when the interests of shareholders and other stakeholders or the public benefit diverge. Given this, we may have difficulty attracting and retaining qualified directors for the public benefit corporation. There could be market uncertainty given the difficulty in assessing the impact of such a conversion on our short-term and long-term stock price, market capitalization and overall operational and financial performance. There may be a destabilizing effect on our international operations, as the feasibility and impact of converting to a public benefit corporation would need to be reviewed in each of the jurisdictions where the firm currently operates."

**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: 2.3, Abstain: 3.7, Oppose/Withhold: 94.1,

#### 8. Shareholder Resolution: Report on Racial Equity Audit

**Proponent's argument:** The Service Employees International Union Pension Plans Master Trust urge the Board of Directors to oversee a racial equity audit analyzing Goldman's impacts on nonwhite stakeholders and communities of color. 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 and proprietary information, should be publicly disclosed on Goldman's website." High-profile police killings of black people-most recently George Floyd-have galvanized the movement for racial justice. That movement, together with the disproportionate impacts of the COVID-19 pandemic, have focused the attention of media, the public and policy makers on systemic racism, racialized violence and inequities in employment, health care, and the criminal justice system. Goldman touts its \$10 million Fund for Racial Equity, which will "support organizations addressing racial injustice," and the \$17 million it "deployed" to "organizations supporting [COVID-19] relief efforts in communities of color." We urge Goldman to implement its commitment to racial justice by assessing its impacts on nonwhite stakeholders and communities of color. "

**Company's response:** The board recommends a vote against this item. "Bringing diverse people, perspectives and abilities to Goldman Sachs is an imperative for our organization in order to best serve our stakeholders, and we regularly engage with our Board on this issue. We previously set clear, quantifiable aspirational diversity goals around our entry-level hiring, and our recent progress is encouraging, with our most diverse campus analyst class ever joining the firm last summer. Additionally, in 2020, we announced two new aspirational goals to enhance the diverse representation of our vice president population and significantly increase our hiring of Black analysts from historically Black colleges and universities, while maintaining our existing programs focused on other diverse populations. We are equally committed to inclusion and career development initiatives to promote the advancement of our diverse populations and to increase the representation of diverse communities at all levels across the firm; for example, we made progress in increasing the diversity of our most recent partner and managing director promotions. We have emphasized our commitment to enhanced transparency and accountability as part of our broader firmwide strategy, and we will continue to apply this to our progress on our diversity and inclusion goals as well. In response to stakeholder feedback, we have committed to expanding our EEO-1 disclosure as part of our upcoming Sustainability Report, and also expect to continue to share greater data on our progress towards our aspirational goals going forward."

**PIRC analysis:** There has been a growing amount of evidence linking poverty, racial segregation, violence 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: 28.8, Abstain: 8.2, Oppose/Withhold: 63.0,

### AXA AGM - 29-04-2021

#### O.6. Approve Compensation of Thomas Buberl, CEO

It is proposed to approve the remuneration paid or due to Thomas Buberl, CEO with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment

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

Vote Cast: *Oppose*

Results: For: 74.0, Abstain: 1.6, Oppose/Withhold: 24.4,

## **BASF SE AGM - 29-04-2021**

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

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 there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, and the financial statements are not submitted to vote, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 76.1, Abstain: 5.0, Oppose/Withhold: 18.9,

## **MEGGITT PLC AGM - 29-04-2021**

### *2. Approve Remuneration Policy*

**Policy Rating: BCC** Changes proposed: i) An increase in the total long-term incentive opportunity from 220% to 250% of salary, ii) Introduction of restricted share awards (RSA) to complement the existing performance share awards (PSA) awarded under the LTIP and, iii) Reduction of vesting threshold for PSAs under the LTIP from 30% to 25% of maximum.

Total potential variable pay could reach 400% of the salary and is considered excessive. 75% of the Annual Bonus is paid in cash and 25% is deferred to shares for a period of two-years, it would be preferable 50% of the Bonus to deferred to shares. Annual Bonus awards are based on combination of the financial performance of the Group and personal performance. For the year under review those were: Underlying operating profit, Free cash flow and Strategic and financial personal objectives. Malus and claw back provisions apply for the Annual Bonus. For the long-term incentives awards, if shareholders approve, awards would consist of Performance Share Awards (125%) and Restricted Share Awards (62.5%).LTIP awards for the year under review have performance measures: Earnings per Share (EPS), Return on Capital Employed (ROCE); and Strategic goals. Performance period is three years which is not considered sufficiently long-term, however a two-year holding period apply which is welcomed. Malus and claw back provisions apply for the LTIP awards.

Vote Cast: *Abstain*

Results: For: 75.1, Abstain: 0.7, Oppose/Withhold: 24.2,

### *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: 77.2, Abstain: 0.0, Oppose/Withhold: 22.8,

## FLUTTER ENTERTAINMENT PLC AGM - 29-04-2021

### *2. Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary is not in line with the workforce since the CEO salary increased by 21.6% for the year under review where the workforce salary increase by 10.8%. The CEO salary is on the median of the competitor group.

**Balance:**Changes in CEO in the last five years are not considered in line with changes in TSR during the same period. During the last five years CEO increase was 64.89% were the TSR increase was at 18.40% The CEO's variable pay for the year under review is 778.9% of base salary ( Annual Bonus: 280% , LTIP: 441.9% & Other: 57%) which is considered excessive. The ratio of CEO pay compared to average employee pay is not considered appropriate at 65:1. PIRC consider acceptable a ratio of 20:1.

Rating: AE

Vote Cast: *Oppose*

Results: For: 84.3, Abstain: 0.3, Oppose/Withhold: 15.4,

### *3.A. Re-elect Zillah Byng-Thorne - Non-Executive Director*

Independent Non-Executive Director. However, the director received significant opposition in the 2020 Annual General Meeting of 18.19% of the votes and the company did not disclose how it address the issue with its shareholders. Based on this lack of information, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 81.4, Abstain: 0.3, Oppose/Withhold: 18.3,

### *3.B. Re-elect Michael Cawley - Non-Executive Director*

Independent Non-Executive Director. However, the director received significant opposition in the 2020 Annual General Meeting of 12.28% of the votes and the company did not disclose how it address the issue with its shareholders. Based on this lack of information, abstention is recommended.

Vote Cast: *Abstain*

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

### *6. 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: 69.7, Abstain: 0.1, Oppose/Withhold: 30.1,

## ASML HOLDING NV AGM - 29-04-2021

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

It is proposed to approve the implementation of the remuneration report. 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: 83.9, Abstain: 1.4, Oppose/Withhold: 14.7,

#### **CONTINENTAL AG AGM - 29-04-2021**

##### *4.13. Approve Discharge of Supervisory Board Member Klaus Rosenfeld for Fiscal Year 2020*

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

Vote Cast: *For*

Results: For: 88.5, Abstain: 0.0, Oppose/Withhold: 11.5,

##### *4.14. Approve Discharge of Supervisory Board Member Georg Schaeffler for Fiscal Year 2020*

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

Vote Cast: *For*

Results: For: 88.5, Abstain: 0.0, Oppose/Withhold: 11.5,

#### **SANOFI AGM - 30-04-2021**

##### *O.11. Approve Remuneration Policy of Directors*

It is proposed to approve the remuneration policy for the non-executive directors with a binding vote. Non-executive directors on the board receive only fixed remuneration. Support is recommended.

Vote Cast: *For*

Results: For: 16.3, Abstain: 15.3, Oppose/Withhold: 68.4,

#### **BBGI GLOBAL INFRASTRUCTURE S.A. AGM - 30-04-2021**

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

It is proposed to increase the LTIP so that the upper limit is 200% of the base salary. Combined with the short term incentive, this would raise potential variable remuneration to 350% of base salary, which is considered excessive. Oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 77.4, Abstain: 2.3, Oppose/Withhold: 20.3,

#### **CREDIT SUISSE GROUP AGM - 30-04-2021**

##### *1.1. Approve the Remuneration Report*

On 6 April 2021, the Board of Directors has updated the Compensation Report following its decision to withdraw its proposals regarding the variable compensation for the Executive Board, comprising the short-term incentive compensation (STI), which was based on 2020 performance and the 2021 long-term incentive opportunities



(LTI), for which payout would have been determined based on prospective performance over the three-year period 2021–2023. In addition, the Chair of the Board has proposed to waive his Chair fee of CHF 1.5 million, which would have been awarded to him at the end of the 2020 AGM to 2021 AGM period.

The decision to waive any variable compensation as well as the chair's fee is welcomed. Nevertheless, it is considered that all of the board, and in particular some of the committees (Risk, Conduct and Financial Crime Control) have demonstrated poor supervision. From the remuneration report, it appears that only the chair (however resigning at the AGM for planned rotation) has waived his compensation. It is considered inappropriate that the compensation of the whole board is not reduced as a result of the lack of supervision and inaction. Due to the lack of a more comprehensive discussion on the remuneration of the board and executive committee beyond a one-off waiving of variable remuneration, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 82.4, Abstain: 1.3, Oppose/Withhold: 16.3,

#### 5.1.e. *Elect Michael Klein - Non-Executive Director*

Independent Non-Executive Director, member of the Risk Committee. Due to his role as member of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 87.1, Abstain: 0.7, Oppose/Withhold: 12.2,

#### 5.1.f. *Elect Shan Li - Non-Executive Director*

Independent Non-Executive Director, member of the Risk Committee. Due to his role as member of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 87.6, Abstain: 0.7, Oppose/Withhold: 11.7,

#### 5.1.g. *Elect Seraina Maag Macia - Non-Executive Director*

Independent Non-Executive Director, member of the Risk Committee. Due to her role as member of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 87.5, Abstain: 0.7, Oppose/Withhold: 11.8,

#### 5.1.h. *Elect Richard Meddings*

Non-Executive Director, Chair of the Audit Committee. Not considered independent as the director was previously employed by the Company as a Chief Operations Officer of a subsidiary company. It is considered that audit committees should be comprised exclusively of independent members, including the chair. In addition, due to his role as chair of this committee and member of the Conduct and Financial Crime Control Committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 85.4, Abstain: 0.7, Oppose/Withhold: 13.9,

#### 5.1.i. *Elect Kai S. Nargolwala - Non-Executive Director*

Non-Executive Director, member of the Conduct and Financial Crime Control Committee, not considered to be independent as he was a member of the Credit Suisse Executive Board and CEO of the Asia-Pacific region from 2008 to 2010. Due to his role as member of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 86.1, Abstain: 0.6, Oppose/Withhold: 13.3,

*5.1.j. Elect Ana Paula Pessoa - Non-Executive Director*

Independent Non-Executive Director, member of the Conduct and Financial Crime Control Committee. Due to her role as member of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 72.5, Abstain: 0.7, Oppose/Withhold: 26.8,

*5.1.k. Elect Severin Schwan - Senior Independent Director*

Senior Independent Director, considered independent and member of the Risk Committee. Due to his role as member of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 83.7, Abstain: 0.6, Oppose/Withhold: 15.7,

*5.1.l. Elect Clare Brady - Non-Executive Director*

Independent Non-Executive Director candidate.

Vote Cast: *For*

Results: For: 88.5, Abstain: 0.6, Oppose/Withhold: 10.9,

*5.1.m. Elect Blythe Masters - Non-Executive Director*

Independent Non-Executive Director. There are concerns over the director's potential time commitments.

Vote Cast: *Abstain*

Results: For: 82.8, Abstain: 1.2, Oppose/Withhold: 16.0,

*5.2.1. Reappoint Iris Bohnet as Member of the Compensation Committee*

Independent Non-Executive Director, candidate to the Remuneration Committee on this resolution. Support is recommended.

Vote Cast: *For*

Results: For: 88.4, Abstain: 0.6, Oppose/Withhold: 11.0,

*5.2.2. Reappoint Christian Gellerstad as Member of the Compensation Committee*

This director is considered to be independent. Support would be normally recommended. However, in March 2021, the tactical crisis committee of the Board of Directors consisting of the Chair, the Chairs of the Audit Committee and Risk Committee and the Chair of the Conduct and Financial Crime Control Committee was activated to exercise close oversight and ensure timely decision making with respect to the resolution of the issues in connection with the Credit Suisse Asset Management managed supply chain finance funds. 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.

Vote Cast: *Abstain*

Results: For: 88.1, Abstain: 0.8, Oppose/Withhold: 11.1,

### 5.2.3. *Reappoint Michael Klein as Member of the Compensation Committee*

Independent Non-Executive Director, candidate to the Remuneration Committee on this resolution. This director is considered to be independent. Support would be normally recommended. 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.

Vote Cast: *Abstain*

Results: For: 86.6, Abstain: 0.9, Oppose/Withhold: 12.5,

### 5.2.4. *Reappoint Kai Nargolwala as Member of the Compensation Committee*

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

Vote Cast: *Oppose*

Results: For: 87.9, Abstain: 0.6, Oppose/Withhold: 11.4,

### 5.2.5. *Appoint Blythe Masters as Member of the Compensation Committee*

Independent Non-Executive Director, candidate to the Remuneration Committee on this resolution. Support is recommended.

Vote Cast: *For*

Results: For: 84.0, Abstain: 1.0, Oppose/Withhold: 15.0,

### 6.1. *Approve Remuneration of Directors in the Amount of CHF 12 Million*

The Board is seeking approval for Board and Committee membership fees for non-executive directors. No increase has been proposed. Nevertheless, it is considered that all of the board, and in particular some of the committees (Risk, Conduct and Financial Crime Control) have demonstrated poor supervision. From the remuneration report, it appears that only the chair (however resigning at the AGM for planned rotation) has waived his compensation. It is considered inappropriate that the compensation of the whole board is not reduced as a result of the lack of supervision and inaction. Due to the lack of a more comprehensive discussion on the remuneration of the board and executive committee beyond a one-off waiving of variable remuneration, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 71.7, Abstain: 14.2, Oppose/Withhold: 14.2,

## **KINGSPAN GROUP PLC AGM - 30-04-2021**

### 3.f. *Elect Michael Cawley - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 78.7, Abstain: 0.0, Oppose/Withhold: 21.3,

### 5. *Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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: 61.3, Abstain: 3.1, Oppose/Withhold: 35.6,

## PEARSON PLC AGM - 30-04-2021

### 4. *Re-elect Elizabeth Corley - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 83.8, Abstain: 0.0, Oppose/Withhold: 16.2,

### 10. *Re-elect Sidney Taurel - Chair*

Chair. Independent upon appointment.

Vote Cast: *For*

Results: For: 89.1, Abstain: 0.3, Oppose/Withhold: 10.6,

### 12. *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's salary is in the median if the Company's comparator group.

**Balance:**The changes in CEO total pay over the last five years are commensurate with the changes in Company's TSR performance over the same period. No total variable pay for the year under review was awarded or vested, which is commendable. The ratio of CEO pay compared to average employee pay is acceptable at 13:1. Rating: AB

Vote Cast: *For*

Results: For: 62.7, Abstain: 0.0, Oppose/Withhold: 37.2,

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

It is noted this resolution registered a significant number of oppose votes of 16.12% at the 2020 AGM which has not been adequately addressed. An additional authority limited to one third of the Company's issued share capital is being sought at this AGM. 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. On the basis of a significant level of opposition at the last AGM, an oppose vote is recommended.

Vote Cast: *Oppose*

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

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

It is noted this resolution registered a significant number of oppose votes of 14.6% at the 2020 AGM which has not been adequately addressed. 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: 87.2, Abstain: 0.0, Oppose/Withhold: 12.8,

### 19. 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: 54.8, Abstain: 0.0, Oppose/Withhold: 45.2,

## ROTORK PLC AGM - 30-04-2021

### 19. 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: 83.5, Abstain: 0.0, Oppose/Withhold: 16.5,

## ELI LILLY AND COMPANY AGM - 03-05-2021

### 1c. Elect Jamere Jackson - Non-Executive Director

Independent Non-Executive Director.

Vote Cast: *For*

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

### 1e. Elect Jackson P. Tai - Non-Executive Director

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Audit committee which should comprise wholly of independent directors. There are also 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. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 77.6, Abstain: 1.0, Oppose/Withhold: 21.3,

### 4. Declassify the Board of Directors

It is considered that staggered elections do not pursue shareholders' best interest, as they entrench the board against hostile takeovers. In this sense, the Board's proposal is welcomed as it will introduce annual election for all directors of the board, which is considered to be best practice.

Vote Cast: *For*

Results: For: 85.0, Abstain: 0.2, Oppose/Withhold: 14.8,

### 5. *Eliminate Supermajority Vote Requirement*

It is considered to be best practice that shareholders should have the right to approve most matters submitted for their consideration by a simple majority of the shares voted. There are concerns that the super-majority provisions which relate to the company's corporate governance documents could frustrate attempts by the majority of shareholders to make the company more accountable or strengthen the independence of the Board. Support is therefore recommended.

Vote Cast: *For*

Results: For: 84.9, Abstain: 0.2, Oppose/Withhold: 14.9,

### 6. *Shareholder Resolution: Report on Lobbying Payments and Policy*

**Proponent's argument:** Service Employees International Union Pension Plans Master Trust request the preparation of a report, updated annually, disclosing Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications. "Lilly spent \$82,532,000 from 2010 - 2019 on federal lobbying. This does not include state lobbying in the 48 states where Lilly lobbies but disclosure is uneven or absent. Lilly also lobbies abroad, spending between €700,000-799,000 on lobbying in Europe for 2019 and attracting scrutiny for "using shifty lobbying tactics to dodge regulations and get medicines approved" in Australia. Lilly sits on the board of the Pharmaceutical Research and Manufacturers of America (PhRMA) and belongs to the Chamber of Commerce, which together have spent over \$2.0 billion on lobbying since 1998. Lilly does not disclose its payments to trade associations and social welfare organizations, or the amounts used for lobbying, including grassroots. Grassroots lobbying does not get reported at the federal level under the Lobbying Disclosure Act, and disclosure is uneven or absent in states."

**Company's response:** The board recommends a vote against the proposal. "Lilly already publishes a substantial amount of the information requested by the shareholder. Requiring us to prepare a separate report with this information would place an undue administrative burden on the company and would not provide meaningful additional information to shareholders, given our transparency with respect to lobbying activities and the governance and risk mitigation procedures we have in place regarding such activities. Moreover, Lilly's shareholders have decidedly rejected the substantially same proposal submitted at each of our last four annual meetings. Since 2005, the company has published the following information, which is updated annually on our website ([lilly.com/policies-reports/public-policy/transparency](http://lilly.com/policies-reports/public-policy/transparency)) for both direct company contributions and employee political action committee (PAC) contributions to support candidates for political office, political parties, officials, or committees in the U.S.: policies and procedures for company and PAC contributions; contributions to candidates, including information about the candidate's office (for example, state, local, or federal; House or Senate) and party affiliation; and contributions to political organizations and Section 527 organizations reported by state."

**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: 48.1, Abstain: 0.3, Oppose/Withhold: 51.6,

### 7. *Shareholder Resolution: Introduce an Independent Chair Rule*

**Proponent's argument:** IBVM Foundation of Canada, Inc. request request the Board of Directors adopt as policy (the "Policy"), and amend the bylaws as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, be an independent member of the board. The Policy shall apply prospectively so as not to violate any contractual obligations. If the board determines that a Chair who was independent when selected is no longer independent, the board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair. This policy would be phased in for the next CEO transition.

**Company's response:** The board recommends a vote against this proposal. "There is no singular approach to independent board leadership across S&P 500 companies. As the proponent indicates, only 36 percent of the S&P 500 have independent chairs. Notably, like Lilly, as of December 31, 2020, 57 percent of S&P 500 companies instead have lead independent directors, and as of December 2, 2020, 61 of the S&P 100 companies and seven of the eight U.S.-incorporated companies from our peer group have a combined board chair and CEO. In addition, Lilly's shareholders decidedly rejected a similar proposal seeking to mandate an independent

board chair at our 2020 annual meeting of shareholders, with approximately two-thirds of the votes cast against the proposal, thus endorsing our flexible approach. Lilly's current board leadership structure and corporate governance practices provide effective, independent oversight of management. Lilly has a strong independent board that operates under sound principles of corporate governance. Although the chairman and CEO roles are combined, we ensure independent oversight of the company through a counterbalancing governance structure, which we have had since 2006 through either a lead independent director or presiding director. Further bolstering independent oversight, each of our current board members other than the CEO is independent (14 out of 15 directors), and all standing board committees are made up solely of independent directors and led by independent committee chairs."

**PIRC analysis:** 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. It is considered that an independent Chair can provide independent oversight of management and facilitates clearer lines of accountability with respect to corporate decisions. Support is recommended.

Vote Cast: *For*

Results: For: 36.2, Abstain: 0.2, Oppose/Withhold: 63.6,

#### *8. Shareholder Resolution: Adopt Policy on Bonus Banking*

**Proponent's argument:** UAW Retiree Medical Benefits Trust request that the board to take the steps necessary to provide that the Committee may decline to pay in full an award (a "Bonus") to a senior executive that is based on one or more financial measurements (a "Financial Metric") whose performance measurement period ("PMP") is one year or shorter for a period (the "Deferral Period") following the award, including developing a methodology for determining the length of the Deferral Period and adjusting the remainder of the Bonus over the Deferral Period. "As long-term shareholders, we support compensation policies that align senior executives' incentives with the company's long-term success. We are concerned that short-term incentive plans can encourage senior executives to take on excessive risk. In our view, reliance on price increases and anticompetitive practices can create significant risks for pharmaceutical firms. Lilly has come under fire for repeated increases in the price of its insulin products: Congress has held hearings on insulin pricing, and media attention has focused on the impact on patient access. The Minnesota and Kentucky Attorneys General have sued Lilly, claiming that it published "deceptive and misleading" list prices for insulin in order to pay larger rebates to pharmacy benefit managers. Congressional committees and other states are investigating Lilly's insulin pricing and sale. To foster a longer-term orientation, this proposal asks that the Committee take the steps necessary to authorize withholding some portion of Bonuses to allow adjustment of the unpaid portion during the Deferral Period. The Committee would have discretion to set the terms and mechanics of this process."

**Company's response:** The board recommends a vote against the proposal. "All of Lilly's equity awards to its executive officers are subject to performance goals measured over multiple years and significant vesting periods of three years during which the awards remain subject to forfeiture. Furthermore, any equity earned under the majority of executive officer long-term equity incentives are subject to an additional one-year holding requirement, after the three-year performance period, during which time the executives cannot realize any value from the awards and remain aligned with Lilly shareholders. Additional risk is mitigated by the discretion afforded to our Compensation Committee to downward adjust award payouts on any basis it deems appropriate. Our robust stock ownership and retention guidelines for executive officers further align management with the long-term performance of the Company and discourage excessive risk-taking. Further, the policy that the proposal requests is unnecessary as Lilly already has an effective and robust compensation recovery policy (otherwise referred to as our clawback policy) in place. Under our current clawback policy, the Compensation Committee is authorized to cancel any unpaid executive incentive compensation (including annual bonus payments and long-term equity incentive awards) and claw back any incentive compensation for up to three years following payment in the event of certain specified misconduct. While the deferral of the annual bonus payment may appear to provide an easier mechanism to claw back bonus payments in the unlikely event it were to become necessary, as a practical matter, our existing clawback policy already provides an effective avenue for the company to claw back payments while at the same time maintaining a competitive executive compensation program that enables the company to recruit and retain talent. "

**PIRC analysis:** The proposal would require recoupment of remuneration under slightly broader circumstances than are typically included in the most common claw-back policies. A redesign of performance management and reward in this way will help the company incentivise its executives to improve long-term performance and ideally to insert non-traditionally financial criteria, with the purpose of mitigating legal, regulatory and reputational risk in this area, which can be detrimental to company financial performance. The company has taken some measures that will allow a better control ex post of the payable amount (such as claw-back). However,

it is considered beneficial for the long-term that remuneration be aligned not only to quantified performance metrics (for the purpose of reward) but also to the degree of risk to which the company is exposed, due to the nature and the impact of their decision. This proposal is considered to be an advance in the reward for executives and support is recommended.

Vote Cast: *For*

Results: For: 31.2, Abstain: 0.2, Oppose/Withhold: 68.6,

#### *9. Shareholder Resolution: Clawback Disclosure of Recoupment Activity from Senior Officers*

**Proponent's argument:** Trinity Health urge the board of directors ("Board") to adopt a policy (the "Policy") that Lilly will disclose annually whether it, in the previous fiscal year, recouped any incentive compensation from any senior executive or caused a senior executive to forfeit all or part of an incentive compensation award (each, a "clawback") as a result of applying Lilly's clawback provisions. "Senior executive" includes a former senior executive. "Lilly has not made any proxy statement disclosure regarding the application of its clawback provisions. Such disclosure would allow shareholders to evaluate the Compensation Committee's use of those provisions and reinforce behavioral expectations. Disclosure of recoupment from senior executives below the named executive officer level, recoupment from whom is already required to be disclosed under SEC rules, would be useful for shareholders because these executives may have business unit responsibilities or otherwise be in a position to take substantial risk or affect company policies. We are sensitive to privacy concerns and recommend that Policy provide for disclosure that does not violate privacy expectations (subject to laws requiring fuller disclosure)."

**Company's response:** The board recommends a vote against the proposal. "The board believes that our current executive compensation structure, including our compensation recovery policy (otherwise referred to as our clawback policy) strikes an appropriate balance in motivating our executive officers to deliver long-term results for our shareholders, while simultaneously holding the senior leadership team accountable and discouraging unreasonable risk-taking. In addition, the board believes the broad disclosure requested by the proposal extends beyond what is required under existing legal requirements. [...] Lilly is already subject to SEC requirements to disclose in its annual proxy statement when compensation has been recouped, and the amount recouped, from the chief executive officer, the chief financial officer, and other current and former named executive officers who served during the prior fiscal year. If necessary to understanding the company's executive compensation structure, the company is required to disclose in its annual proxy statement the reasons for recoupment and how the company determined the amount to be recovered. Thus, the board does not believe that expanding the disclosure requirements to all current and former "senior executives" is warranted. [...] Further, the recoupment of incentive compensation is not the only action that is available to address any potential misconduct of senior executives. In response to senior executive misconduct or violation of company policy, the company may institute reasonable and appropriate corrective actions to address misconduct, such as termination or change in job responsibility, further training, disciplinary action, or material alterations to compensation plans in future years. None of these actions would be disclosed in an annual report requested by the proposal. As a result, the annual report contemplated by the proposal could present a misleading picture of how instances of misconduct might be addressed by the company.

**PIRC analysis:** The proposal would require disclosure of recoupment of remuneration under slightly broader circumstances than are typically included in the proxy reports of most companies. However, while stating that measures of application of the claw-back provisions are made in the proxy filings, the company fails to make a case as of why this proposal be counter-productive. The proposal will be an advance in corporate governance and additional disclosure is considered to be beneficial for shareholders and stakeholders alike. On this basis, support for the proposal is recommended.

Vote Cast: *For*

Results: For: 40.8, Abstain: 0.2, Oppose/Withhold: 59.0,

### **HOLCIM LTD AGM - 04-05-2021**

#### *1.2. 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: 7.7, Abstain: 10.3, Oppose/Withhold: 82.0,

#### 5.1.6. *Elect Patrick Kron - 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: 82.8, Abstain: 0.2, Oppose/Withhold: 17.0,

#### 5.1.9. *Elect Claudia Sender Ramirez - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 80.2, Abstain: 0.7, Oppose/Withhold: 19.1,

#### 5.1.10. *Elect Hanne Birgitte Breinbjerg Sørensen - 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: 83.9, Abstain: 0.2, Oppose/Withhold: 15.9,

#### 5.3.3. *Re-election of Claudia Sender Ramirez as a member of the Nomination, Compensation & Governance Committee*

Independent Non-Executive Director, candidate to the Remuneration Committee on this resolution. Support is recommended.

Vote Cast: *For*

Results: For: 81.6, Abstain: 0.8, Oppose/Withhold: 17.7,

#### 5.3.4. *Re-election of Hanne Birgitte Breinbjerg Sørensen as a member of the Nomination, Compensation & Governance Committee*

This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 74.4, Abstain: 12.8, Oppose/Withhold: 12.8,

## BRISTOL-MYERS SQUIBB COMPANY AGM - 04-05-2021

### 6. *Shareholder Resolution: Introduce an Independent Chair Rule*

**Proponent's argument:** Shareholders request the Board of Directors adopt as policy, and amend the bylaws as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, be an independent member of the Board. This independence policy shall apply prospectively so as not to violate any contractual obligations. If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair. "In our view, shareholders are best served by an independent Board Chair who can provide a balance of power between the CEO and the Board. Taking this step is in the long-term interests of shareholders and will promote effective oversight of management.[...] The company has faced numerous reputational risks in the last few years. In May 2019, more than two dozen lawsuits against drugmakers over the aggressive marketing practices that have attributed to abuse of opioid drugs in Canada. Bristol-Myers Squibb, which makes Percocet, was included in the suit. The law claims the companies were deceptive in their marketing practices and reaped 'obscene' profits at the expense of the health and well-being of patients."

**Company's response:** The Board of Directors recommends a vote against the proposal. "The Board believes that shareholder interests are well served when the Board has the flexibility to determine the most appropriate leadership structure based on an assessment of the Company's needs and circumstances at any given time. The Board believes our Company and its shareholders benefit from this flexibility, as our directors are well positioned to determine our leadership structure given their in-depth knowledge of our leadership team, our strategic goals, and the opportunities and challenges we face. Moreover, our Lead Independent Director role, as well as our other corporate governance practices, already provide the independent leadership and management oversight requested by this proposal. The Company's governance documents provide the Board with the ability to design the Company's board leadership structure as it deems appropriate based on the circumstances at the time. This enables the Board to tailor its structure to the strengths of the Company's officers and directors in order to best address the Company's evolving and complex business. The Board believes that the Company and its shareholders are well served by allowing the Board to continue to follow its current policy of determining the most advantageous governance for the Company generally, and the best person to serve as the Board Chair specifically."

**PIRC analysis:** 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. It is considered that an independent Chair can provide independent oversight of management and facilitates clearer lines of accountability with respect to corporate decisions. Support is recommended.

Vote Cast: *For*

Results: *For: 44.4, Abstain: 0.4, Oppose/Withhold: 55.2,*

### 7. *Shareholder Resolution: Written Consent*

**Proponent's argument:** Shareholders request that the board of directors take such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon are present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. "This proposal topic won 95%-support at a Dover Corporation shareholder meeting and 88%-support at an AT&T shareholder meeting. And that was before the shareholder ability to call a special in-person shareholder meeting was essentially eliminated by the 2020 pandemic. This proposal topic won 43%-support at our 2020 BMY annual meeting. The 2020 proposal did not point out that our management ignored the fact that written consent can be structured so that all shareholders get notice of a proposed action. Plus, in 2020 BMY management also ignored the fact that winning written consent would require a 71%-approval of shares voted at a typical BMY annual meeting, since many shareholders do not vote. With the near universal use of online annual shareholder meetings, which can last only 10-minutes, the shareholder right to call a special meeting has been severely reduced in value. Shareholders can be restricted in making their views known at online shareholder meetings because constructive questions and comments can be easily screened out by the incumbent management and board"

**Company's response:** The Board of Directors recommends a vote against the proposal. "The Company's existing corporate governance practices provide meaningful, year-round opportunities for shareholders to bring matters to the attention of the Company, the Board and other shareholders. Currently, the Company's shareholders

have the ability to propose matters for consideration at each annual meeting of shareholders. In addition, the company is committed to high standards of corporate governance, including taking steps to achieve greater transparency and accountability to our shareholders. As such, at this Annual Meeting, the Board is asking shareholders to approve an amendment to the Company's Certificate of Incorporation to reduce the percentage of outstanding shares required for shareholders to call a special meeting from 25% to 15%. The Board has determined to take this action following extensive engagement with our shareholders and an evaluation of our strong corporate governance policies and practices, including the many ways shareholders are able to contact the Board and senior management on important matters outside of the annual meeting cycle. This proposed 15% threshold to call a special meeting represents significantly less than half of the necessary threshold for shareholders to act by written consent under Delaware law and this proposal. As noted, this right already provides shareholders an opportunity to raise appropriate issues for the Company to consider between annual meetings and on which all shareholders can deliberate and vote. Any group of shareholders with holdings sufficient to act by written consent under this proposal may already call a special meeting of 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. There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Although the company already provides for ownership of 15% of the share capital to call a special meeting, a 10% threshold is considered to be more adherent to best practice. Support is recommended.

Vote Cast: *For*

Results: For: 34.5, Abstain: 0.7, Oppose/Withhold: 64.8,

#### *8. Shareholder Resolution: Reduce Ownership Threshold for Special Shareholder Meetings to 10%*

**Proponent's argument:** Shareholders ask the board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting. "It currently takes 35% of the shares that normally vote at the Bristol-Myers Squibb annual meeting to call a special shareholder meeting. It would be hopeless to expect that shareholders, who do not even vote, would go out of their way to take the procedural steps to ask for a special shareholder meeting. A special shareholder meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director. For instance Mr. Michael Bonney, who was new to the Board in 2020 and who is on the Audit Committee, was rejected by 18% of shares. [...] Management entrenchment is so well defended at an online shareholder meeting that shareholders should have a corresponding greater flexibility in calling for a special shareholder meeting."

**Company's response:** The Board of Directors recommends a vote against this proposal. "The company is committed to high standards of corporate governance, including taking steps to achieve greater transparency and accountability to our shareholders. As such, at this Annual Meeting, the Board is asking shareholders to approve an amendment to the Company's Certificate of Incorporation to reduce the percentage of outstanding shares required for shareholders to call a special meeting from 25% to 15%. The Board has determined to take this action following extensive engagement with our shareholders and an evaluation of our strong corporate governance policies and practices, including the many ways shareholders are able to contact the Board and senior management on important matters outside of the annual meeting cycle. Convening a special shareholder meeting is costly and time consuming. The Company believes that the proposed 15% threshold strikes the appropriate balance between giving shareholders the ability to call special meetings and protecting the Company's resources; and our strong corporate governance policies and practices, including the ability of a reasonable minority of shareholders to call special meetings, already provide our shareholders with the ability to raise important matters with the Board and senior management."

**PIRC analysis: Proponent's argument:** Shareholders propose 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 shareowner 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.

**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: 32.4, Abstain: 0.5, Oppose/Withhold: 67.1,

#### 1B. *Re-elect Michael W. Bonney - 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: 87.6, Abstain: 0.2, Oppose/Withhold: 12.2,

### AIR LIQUIDE SA AGM - 04-05-2021

#### O.8. *Elect Bertrand Dumazy - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 62.9, Abstain: 0.2, Oppose/Withhold: 36.8,

### AMERICAN EXPRESS COMPANY AGM - 04-05-2021

#### 1.a. *Elect Thomas J. Baltimore - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 83.5, Abstain: 0.2, Oppose/Withhold: 16.3,

#### 4. *Shareholder Resolution: Written Consent*

**Proponent's argument:**Shareholders request that the board of directors take such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. " This proposal topic won 95%-support at Dover Corporation and 88%-support at AT&T. A shareholder right to act by written consent affords American Express management strong protection for any lingering status quo management mentality during the current rapidly changing business environment. Any action taken by written consent would still need 62% supermajority approval from the shares that normally cast ballots at the American Express annual meeting to equal a majority from the AXP shares outstanding. At a special shareholder meeting only a 51%-vote is needed. A cornerstone of the 2020 management resistance to shareholder written consent was that a special shareholder meeting is "transparent." This

has been completely blown out of the water in 2020 with the near extinction of in-person shareholder meetings. The sole content of an online special shareholder meeting can be a few stilted formalities and the announcement of the vote. With tightly controlled online shareholder meetings everything is optional. For instance management reporting on the state of the company is optional. Also management answers to shareholder questions are optional even if management misleadingly asks for questions."

**Company's response:** The Board recommends a vote against this proposal. " Our shareholders may effect change by calling a special meeting to raise matters for the review and approval of all shareholders. Permitting action at a meeting (whether the annual meeting or a special meeting) is a more transparent and equitable process for shareholders than the written consent process, as action at a meeting provides all shareholders the opportunity to participate, deliberate and vote. Our Board believes that we have a robust corporate governance framework in place, including extensive and responsive shareholder outreach, that renders this proposal unnecessary. This proposal may hinder the rights of shareholders to receive accurate and complete information on important proposed actions. Our shareholders should have an opportunity to debate actions and the proposed written consent right could deprive many shareholders of the opportunity to deliberate in an open and transparent manner. The proposal notes the lack of in-person shareholder meetings in 2020. The Company is incorporated in New York State and New York State law does not currently permit solely virtual shareholder meetings. Virtual-only shareholder meetings were allowed in New York State in 2020 by Executive Order of the Governor of New York State in response to the COVID-19 pandemic.

**PIRC analysis:** There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Since the company has weak or no special meeting rights, written consent rights are very important. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 35.7, Abstain: 0.9, Oppose/Withhold: 63.4,

##### *5. Shareholder Resolution: Publish Annually a Report Assessing Diversity, Equity, and Inclusion Efforts*

**Proponent's argument:**As You Sow request that American Express Company (American Express ) publish annually a report assessing the Company's diversity and inclusion efforts, at reasonable expense and excluding proprietary information. At a minimum the report should the process that the Board follows for assessing the effectiveness of its diversity, equity and inclusion programs, the Board's assessment of program effectiveness, as reflected in any goals, metrics, and trends related to its promotion, recruitment and retention of protected classes of employees. "Investors seek quantitative, comparable data to understand the effectiveness of the company's diversity, equity, and inclusion programs. Companies with the strongest racial and ethnic diversity are 35 percent more likely to have financial returns above their industry medians. Companies in the top quartile for gender diversity are 21 percent more likely to outperform on profitability and 27 percent more likely to have superior value creation. A 2019 study of the S&P 500 by the Wall Street Journal found that the 20 most diverse companies had an average annual five year stock return that was 5.8 percent higher than the 20 least-diverse companies. Despite such benefits, significant barriers exist for diverse employees advancing within their careers. Women enter the workforce in almost equal numbers as men (48 percent), However, they only comprise 22 percent of the executive suite. Similarly, people of color comprise 33 percent of entry level positions, but only 13 percent of the c-suite. The American Express 2019-2020 Environmental, Social and Governance Report states 'Our senior executives take responsibility for delivering on our commitments and ensuring diverse representation at all levels. Our Company scorecard, which is used to measure our performance and progress on our business priorities, includes a clear set of diversity goals and overall talent metrics. We set our scorecard metrics annually and review our progress against them regularly to hold ourselves accountable.' "

**Company's response:** The Board recommends a vote against this proposal. "Our Environmental, Social and Governance (ESG) report includes metrics, data and updated and enhanced disclosures on several important topics, including the diversity of our workforce and our diversity, equity and inclusion (DEI) programs (<https://www.americanexpress.com/us/company/global-diversity-and-inclusion.html>). As illustrated by our ESG report and as reflected on our website, we have a long history of advocating for diversity and inclusion in all areas of our business and remain committed to fostering a diverse, equitable and inclusive workplace for colleagues of all backgrounds. American Express has focused on maintaining and broadening the diversity of our Executive Committee and Board of Directors, and as of February 2021, 56% of the Executive Committee members and 60% of the Company's Board of Directors represented diverse backgrounds based on race, ethnicity and gender. In 2020 we created the Office of Enterprise Inclusion, Diversity and Business Engagement, which reports directly to Chairman and CEO Stephen J. Squeri and works closely with the Chief Colleague Inclusion & Diversity Officer, and is responsible for driving long term change in our culture and the way we operate. Our Board believes

that our ongoing DEI initiatives and the Board's continuous assessment of the effectiveness of such initiatives and related programs are already provided across several mediums, including in our annual ESG report.

**PIRC analysis:** The requested report will provide shareholders with information on the Company's efforts in relation to workforce diversity. While the company indicates a variety of programmes and initiatives to promote diversity, including training, membership of diversity organisations and awards, no goals for diversity and inclusion and no data on the diversity make-up of the workforce is provided. A report on the diversity make-up of the Company's workforce and more quantitative detail on the policies and programmes for fostering diversity of employees would enable investors to assess the Company's exposure to this reputational and human resource risk. The request for a report is considered reasonable and a vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 58.8, Abstain: 1.5, Oppose/Withhold: 39.7,

## ALLIANZ SE AGM - 05-05-2021

### 5. Approve Remuneration Policy

It is proposed to approve the remuneration policy with a non-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: 87.1, Abstain: 0.0, Oppose/Withhold: 12.9,

## BARCLAYS PLC AGM - 05-05-2021

### 29. Shareholder Resolution: Disclose Climate Change Action Plan and Report Annually on Progresses

**Proponent's argument:** Market Forces request that the Directors be authorised and directed by the shareholders to: 1. Set, disclose and implement a strategy, with further and improved short-, medium-, and long-term targets, to phase out its provision of financial services(1) to fossil fuel (coal, oil and gas) projects and companies(2) in timeframes consistent with Articles 2.1(a) and 4.1 of the Paris Agreement(3). 2. Report annually on progress under that strategy, starting from 2022, including a summary of the framework, methodology, timescales and core assumptions used, omitting commercially confidential or competitively sensitive information, and at reasonable cost. "[Continuing] to finance the coal sector in the way our company plans is unavoidably inconsistent with the Paris goals. The principle of phasing out financial services for coal over time is correct, but Barclays has deferred restricting financial services for companies that derive more than 30% of revenue from thermal coal until 2025, delayed lowering the restriction threshold to 10% until 2030, and has no final coal phase-out date. The reliance on revenue also creates a loophole whereby highly diversified companies with significant coal mining and coal power operations can continue to receive financial services. In addition, Barclays' restrictions on Arctic oil and gas drilling are unlikely to end its involvement in this practice, as many companies we are exposed to (such as ExxonMobil and Conocophillips) have diversified oil and gas portfolios predominantly outside the region. Our peers have moved further, placing general restrictions on the oil and gas sectors. Natwest has pledged to progressively withdraw support from non-net zero aligned activity in the oil and gas sectors, if they do not have credible transition plans in line with the Paris Agreement in place by the end of 2021. Our company risks being left behind as others in the sector apply more stringent restrictions."

**Company's response:** The board recommends a vote against this resolution as the Directors intend to do in respect of their own beneficial holdings. First, we have a new strategy, adopted only last year, to align us to the goals of the Paris Agreement without universally phasing out fossil fuel clients. It sets us on an operationally deliverable path, with specific targets and regular reporting, to reduce the financed emissions of our portfolio on the way to becoming a net zero bank by 2050.

Secondly, we have already made meaningful progress over the last 12 months to design, refine and embed our detailed approach across Barclays. As the frontier of what constitutes effective action to tackle climate change moves forward, our approach will naturally evolve with it, but we do not believe we should radically change course now from the path we have only just taken. Thirdly, the Board continues to believe that Barclays can make the greatest difference by supporting the transition to a low carbon economy, rather than by simply phasing out support for some of the clients who are most engaged in it. We believe that banks, especially those like Barclays with a large capital markets business, are in a unique position to help accelerate the transition by working with companies that are in the process of moving away from fossil fuels to renewables, as many of our clients have already begun to do."''

**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: 12.3, Abstain: 12.2, Oppose/Withhold: 75.4,

#### **PHILIP MORRIS INTERNATIONAL INC. AGM - 05-05-2021**

##### *1.f. Elect Lisa A. Hook - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 63.6, Abstain: 0.8, Oppose/Withhold: 35.5,

#### **TEN ENTERTAINMENT GROUP PLC AGM - 05-05-2021**

##### *3. Approve Remuneration Policy*

Overall disclosure is considered adequate. The total maximum potential awards under all incentive schemes are considered excessive at 250% of salary and 300% in exceptional circumstances. There are currently no shareholding requirement in operation at the Company which raises concerns. The vesting period for the LTIP is three years, without further holding period beyond vesting, which is not considered sufficiently long-term. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. The Company states that, the Remuneration Committee may, in exceptional circumstances, consider it appropriate to grant an award under a different structure in order to facilitate the buy-out of outstanding awards held by an individual on recruitment.

Rating: ADD.

Vote Cast: *Oppose*

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

##### *5. Elect Graham Blackwell - Chief Executive*

Chief Executive Officer.

Vote Cast: *For*

Results: For: 89.1, Abstain: 0.0, Oppose/Withhold: 10.9,

#### 6. *Elect Antony Smith - Executive Director*

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

Vote Cast: *Abstain*

Results: For: 87.4, Abstain: 1.7, Oppose/Withhold: 10.9,

#### 8. *Elect Christopher Mills - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has links with Harwood Capital LLP which is considered material. There are concerns over the director's potential aggregate time commitments, however it is noted the director has attended all the board and committee meetings he was eligible to attend during the year. There is insufficient balance of independence on the board to enable support for this director. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 81.9, Abstain: 2.0, Oppose/Withhold: 16.1,

#### 13. *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*

Results: For: 87.4, Abstain: 0.0, Oppose/Withhold: 12.6,

### PEPSICO INC. AGM - 05-05-2021

#### 4. *Shareholder Resolution: Reduce Ownership Threshold for Shareholders to Call Special Meeting*

**Proponent's argument:** Shareholders ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting. The Board of Directors would continue to have its existing power to call a special meeting. Since the 2020 PepsiCo annual meeting there has been a dramatic development that makes shareholder meetings so much easier for management with a substantial cost reduction. Special shareholder meeting can now be online shareholder meetings which are so much easier on management. The 2020 pandemic has resulted in an avalanche of online shareholder meetings. Management accountability is so well defended at online shareholder meetings that shareholders should have a corresponding greater flexibility in calling for a special shareholder meeting. At an online meeting almost everything is optional. For instance a management narrative on the state of the company is optional. Also management answers to shareholder questions are optional even if management asks for questions.

**Company's response:** The board recommends a vote against this proposal. " PepsiCo already provides a meaningful and balanced right to shareholders to call a special meeting. The current ownership threshold provides shareholders owning a meaningful minority of shares (at least 20% of our outstanding shares) with the right to call a special meeting while maintaining a threshold that prevents the potential unnecessary waste of corporate resources and disruption associated with a much smaller minority of shares calling a special meeting on frivolous grounds or to advance narrowly supported interests. Our current threshold can be met by as few as five of our shareholders acting together, whereas the proposed 10% threshold could be met with as few as two shareholders acting together. Shareholders have significant



opportunities to engage with management and the Board throughout the year, in ways that are more cost effective. PepsiCo has strong corporate governance policies and practices in place that protect shareholder rights.

**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: 43.7, Abstain: 0.6, Oppose/Withhold: 55.6,

#### 5. Shareholder Resolution: Report on Sugar and Public Health

**Proponent's argument:** Shareholders request the board issue a report on Sugar and Public Health, with support from a group of independent and nationally recognized scientists and scholars providing critical feedback on our company's sugar products marketed to consumers, especially those PepsiCo products targeted to children and young consumers. Such report to shareholders should be produced at reasonable expense, exclude proprietary or legally privileged information and be published no later than November 1st, 2021 and include an assessment of risks to the company's finances and reputation associated with changing scientific understanding of the role of sugar in disease causation. "[The] company's sugary products may be associated with two national health epidemics: sugar-related illnesses and vulnerability to the pandemic. Moreover, the pandemic has highlighted issues of disproportionate health impacts of COVID-19 on people of color. According to a recent study, our industry's advertising of sugary drinks has increased 26% since 2013 to more than \$1 billion, with Black children and teens seeing twice the amount of sugary drink ads as their white counterparts, and Hispanic preschoolers and children seeing over 40% more Pepsi ads today than seven years ago. With the rise of diabetes in youth and a better understanding of the influence of marketing on consumption habits, the American Academy of Pediatrics (AAP) released a policy statement a decade ago, calling for a total ban on child-targeted and interactive junk food advertising. Yet our Company continues to market sugary drinks with advertising detrimentally influencing children's food preferences and health. A growing number of jurisdictions have banned the sale of junk food and sugary drinks to children and numerous community campaigns as seeking to impose taxes as well as new labeling laws for sugary beverages. In 2019, the AAP and the American Heart Association released a joint statement in support of such taxes, potentially increasing risk associated with our company's business."

**Company's response:** The Board of Directors recommends that shareholders vote against this proposal. "PepsiCo offers a broad range of no sugar and low sugar beverages, and added sugars reduction is a key part of PepsiCo's long-term strategy to meet consumers' needs and to help build a more sustainable food system. Informed by the guidelines on sugar intake provided by leading global and national nutrition and health authorities, we set a goal that by 2025 at least two-thirds of our global beverage portfolio volume will have 100 calories or fewer from added sugars per 12-ounce serving. We made progress towards this goal in 2019, increasing our compliance with this goal by 3 percentage points across our portfolio in our top 26 beverage markets (by revenue). These markets represent 79% of our global beverage volume, and as of 2019, 47% of our beverage portfolio in such markets met our added sugars reduction target. We are continuing to make progress towards this goal by reformulating our existing beverages to reduce added sugars in our products so that consumers can continue to enjoy them as part of a balanced diet, offering a variety of no sugar and low sugar products and smaller portion sizes, and working to introduce new products that have no sugar, low sugar and/or more of the nutritious ingredients our consumers desire. Through our added sugars reduction efforts, we believe we are not only addressing the concerns raised in this proposal but also are creating new opportunities for competitive advantage and future market growth."

**PIRC analysis:** The requested report will provide shareholders with information on the company's efforts in relation to healthy nutrition and will ask the company to link this directly with financial outcomes for its customers and the health system overall.. The Although not directly in scope of this resolution, the recent outbreak of COVID-19 has shown as health concerns should not be considered privately (i.e. only related to individuals or to a group of individuals). Looking forward to a stakeholder-wide approach, it is considered appropriate that the company reports on the consequences of its products for its customers and public health overall. This would enable investors to assess the company's exposure to this reputational risk. The request for a report is considered reasonable and a vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 13.2, Abstain: 3.2, Oppose/Withhold: 83.6,

#### 6. *Shareholder Resolution: Report on External Public Health Costs*

**Proponent's argument:** Shareholders ask that the board commission and disclose a report on the external public health costs created by the food and beverage business of the company and the manner in which such costs affect the vast majority of its shareholders who rely on overall market returns. "The World Health Organization assesses the unpriced social burdens of obesity as equaling almost 3% of global GDP annually. This cost, year after year, is devastating to economic growth. Yet the Company does not disclose any methodology to address the public health costs of its business. Thus, shareholders have no guidance as to costs the Company is externalizing and consequent economic harm. This information is essential to shareholders, the majority of whom are beneficial owners with broadly diversified interests. As of the 2020 proxy statement, the Company's top three holders were Vanguard, BlackRock and State Street, which are generally indexed or otherwise broadly diversified. Such shareholders and beneficial owners are unalterably harmed when companies follow Delaware's "shareholder primacy" model and impose costs on the economy that lower GDP, which reduces equity value. While the Company may profit by ignoring costs it externalizes, diversified shareholders will ultimately pay these costs, and they have a right to ask what they are."

**Company's response:** The board recommends a vote against the proposal. There are numerous factors that contribute to obesity, and we believe it is not feasible to accurately quantify external public health costs for specific food and beverage products or categories in isolation. The World Health Organization (WHO) assessment referenced in this proposal is based on a 2014 McKinsey Global Institute report that states obesity is impacted by numerous health, socio-economic and lifestyle factors, of which diet is just one of many important factors. In fact, the report considers 74 interventions across 18 different areas that have the highest likelihood of impacting obesity rates. It is our belief that existing research and analysis has effectively identified the multitude of factors that contribute to obesity and their collective public health costs, and that the time, money and people resources that would be required to produce the proposed report would be better spent on our significant existing efforts to mitigate those factors.

**PIRC analysis:** The requested report will provide shareholders with information on the company's efforts in relation to understanding and mitigating the public health costs deriving from the company's business. This resolution will also allow to link healthy nutrition directly with financial outcomes for its customers and indirectly with the health system. Although not directly in scope of this resolution, the recent outbreak of COVID-19 has shown as health concerns should not be considered privately (i.e. only related to individuals or to a group of individuals). Looking forward to a stakeholder-wide approach, it is considered appropriate that the company reports on the consequences of its products for its customers and public health overall, and that disclosure is upheld accordingly. This would enable investors to assess the company's exposure to this reputational risk. The request for a report and the data therein are considered reasonable and a vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 11.8, Abstain: 3.1, Oppose/Withhold: 85.1,

### ANGLO AMERICAN PLC AGM - 05-05-2021

#### 19. *Issue Shares for Cash*

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

Vote Cast: *For*

Results: For: 89.6, Abstain: 0.2, Oppose/Withhold: 10.2,

#### 20. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 87.9, Abstain: 0.2, Oppose/Withhold: 11.9,

## 22. 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: 87.5, Abstain: 0.1, Oppose/Withhold: 12.3,

## EDF (ELECTRICITE DE FRANCE) SA AGM - 06-05-2021

### O.A. Shareholder Resolution: Proposition Not to Distribute the Dividend

Shareholder Proposals Submitted by FCPE Actions EDF.

Given the debt situation and the negative effects of Covid-19, which generate significant risks to the company's finances, the Shareholders' Meeting decides not to allocate a dividend for the 2020 financial year in order to invest the amount in the interests of all shareholders, in particular by sustainably developing the industrial tool." The draft resolution was reviewed and was not approved by the Board of Directors at its meeting of 8 April 2021.

As dividend was covered only in part by earnings, and given the uncertainty of the current market it is considered reasonable that no dividend be distributed. Support is recommended.

Vote Cast: *For*

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

### O.5. Approve Transaction with French State RE: OCEANES

Under the 5th resolution, it is proposed to the Shareholders' Meeting, having reviewed the special report of the Statutory Auditors to approve the issuance agreement dated 8 September 2020, in connection with the issuance of green bonds convertible into new shares and/or exchangeable for existing shares, which were subscribed for approximately 40% of the amount of the issuance by the French State.

The company sought individual approval for this transaction, which is best practice in this market. The proposed regulated party transaction appears to be conducted at arm's length.

Vote Cast: *For*

Results: For: 74.0, Abstain: 0.0, Oppose/Withhold: 26.0,

## BAE SYSTEMS PLC AGM - 06-05-2021

### 2. Approve the Remuneration Report

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The Company reports that the CEO's salary increase was 6.9% and is not in line with the workforce which its salaries rose by 2.5%. The CEO's salary is in the upper quartile of the competitor group, which raises concerns for potential excessiveness.

**Balance:** The changes in CEO pay over the last five years are not in line with the Company's TSR performance over the same period. Total variable pay for the year under review is excessive at 494.3% of salary. The ratio of CEO pay compared to average employee pay is unacceptable at 38:1; it is recommended that the ratio does

not exceed 20:1.  
Rating: AE

Vote Cast: *Oppose*

Results: For: 69.3, Abstain: 9.6, Oppose/Withhold: 21.2,

#### *20. Issue Shares for Cash*

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

Vote Cast: *For*

Results: For: 89.3, Abstain: 0.1, Oppose/Withhold: 10.6,

### **HOWDEN JOINERY GROUP PLC AGM - 06-05-2021**

#### *7. Elect Geoff Drabble - Senior Independent Director*

Lead Independent Director. Considered independent.

Vote Cast: *For*

Results: For: 86.6, Abstain: 2.4, Oppose/Withhold: 11.0,

### **MONDI PLC AGM - 06-05-2021**

#### *4. Elect Svein Richard Brandtzaeg - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 87.0, Abstain: 0.1, Oppose/Withhold: 12.9,

### **KONINKLIJKE (ROYAL) PHILIPS NV AGM - 06-05-2021**

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

It is proposed to approve the implementation of the remuneration report. 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: 82.8, Abstain: 1.3, Oppose/Withhold: 15.8,

## DEUTSCHE POST AG AGM - 06-05-2021

### 6.3. *Elect Nikolaus von Bomhard - Chair (Non Executive)*

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

Vote Cast: *Abstain*

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

### 8. *Authorize Share Repurchase Program and Reissuance or Cancellation of Repurchased 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*

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

## JUPITER FUND MANAGEMENT PLC AGM - 06-05-2021

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

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

Vote Cast: *For*

Results: For: 77.7, Abstain: 0.1, Oppose/Withhold: 22.2,

## INDIVIOR PLC AGM - 06-05-2021

### 2. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary increased for the year under review by 27.7% when the US workforce salary increased by 4.8%, the salary for the CEO is not in line with the workforce. CEO salary is in the median of the competitor group.

**Balance:**The balance of CEO realised pay with financial performance is considered acceptable as the change in CEO total pay over the last five years is aligned to the change in TSR over the same period. Over the five year period average annual increase in CEO pay has been approximately 10.80% whereas, on average, TSR has increased by 28.42%. It is noted that, in response to the COVID-19 pandemic, the Executive Directors and members of the Executive Committee agreed to forgo any bonus payment under the AIP 2020 and therefore no bonus was paid to the Executive Directors for 2020. In addition, no LTIP vested for the FY 2020 which is commendable. The pay ratio between CEO and the average employee is considered acceptable at 4:1

Rating: AB

Vote Cast: *For*

Results: For: 60.4, Abstain: 2.1, Oppose/Withhold: 37.4,

#### 4. *Elect Jerome Lande - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is Partner of Scopia a significant shareholder of the company. However, there is sufficient independent representation on the Board. Support is recommended.

Vote Cast: *For*

Results: For: 83.5, Abstain: 0.1, Oppose/Withhold: 16.4,

#### 14. *Re-elect Daniel J. Phelan - Designated Non-Executive*

Designated non-executive director 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: 78.4, Abstain: 0.1, Oppose/Withhold: 21.5,

### IMI PLC AGM - 06-05-2021

#### 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: 87.3, Abstain: 0.0, Oppose/Withhold: 12.7,

#### D. *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: 89.5, Abstain: 0.0, Oppose/Withhold: 10.5,

### KONINKLIJKE (ROYAL) DSM NV AGM - 06-05-2021

#### 9.c. *Elect Carla Mahieu - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 88.0, Abstain: 0.0, Oppose/Withhold: 12.0,

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

It is proposed to exclude pre-emption rights on shares issued over a period of 12 months or until next AGM. The corresponding authority for issuing shares without pre-emptive rights, requested in a previous proposal, does not exceed guidelines (10%). Support is recommended.

Vote Cast: *For*

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

## MELROSE INDUSTRIES PLC AGM - 06-05-2021

### 17. *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. It is noted that the company received significant opposition for the resolution in the 2020 AGM of 16.28% of the votes and it has not disclosed how it address the issue with its shareholders. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 80.3, Abstain: 1.6, Oppose/Withhold: 18.1,

## EDENRED SA AGM - 11-05-2021

### O.6. *Elect Françoise Gri - Non-Executive Director*

Senior Independent Director. Not considered independent owing to a tenure of more than nine years. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the Board.

Vote Cast: *Oppose*

Results: For: 86.7, Abstain: 0.5, Oppose/Withhold: 12.8,

### O.8. *Elect Monica Mondardini - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 83.7, Abstain: 0.2, Oppose/Withhold: 16.1,

### O.10. *Approve Remuneration Policy of Chairman and CEO*

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

Vote Cast: *Oppose*

Results: For: 81.4, Abstain: 0.0, Oppose/Withhold: 18.6,

### O.14. *Approve Compensation of Bertrand Dumazy, Chairman and CEO*

It is proposed to approve the remuneration paid or due to Bertrand Dumazy, Chair and CEO, with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to

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

Vote Cast: *Oppose*

Results: For: 60.7, Abstain: 0.0, Oppose/Withhold: 39.3,

## HGCAPITAL TRUST PLC AGM - 11-05-2021

### 4. *Elect Richard Brooman*

Non-Executive Director and member of the Audit Committee. Not considered independent owing to a tenure of over nine years. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.8, Abstain: 0.2, Oppose/Withhold: 13.0,

### 15. *Amend Articles to Allow Hybrid Shareholders Meetings*

It is proposed to amend the articles, in order to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual only if attendees participate only by way of electronic means, or may be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means. Meetings are a place for debate and decision: it is considered that the use of electronic means of participation be beneficial for all shareholders. Support is recommended.

Vote Cast: *For*

Results: For: 85.6, Abstain: 0.2, Oppose/Withhold: 14.2,

## 3M COMPANY AGM - 11-05-2021

### 5. *Shareholder Resolution: Consider Pay Disparity Between Executives and Other Employees*

**Proponent's argument:** Shareholders of 3M Corporation request that the Compensation Committee of the Board of Directors take into consideration the pay grades and/or salary ranges of all classifications of Company employees when setting target amounts for CEO compensation. The Compensation Committee should describe in the Company's proxy statements for annual shareholder meetings how it complies with this requested policy. Compliance with this policy is excused if it will result in the violation of any existing contractual obligation or the terms of any existing compensation plan. "Like at many companies, our Company's Compensation Committee uses peer group benchmarks of what other companies pay their CEOs to set its target CEO compensation. These target pay amounts are then subject to performance adjustments. To ensure that our Company's CEO compensation is reasonable relative to our Company's overall employee pay philosophy and structure, we believe that the Compensation Committee should also consider the pay grades and/or salary ranges of Company employees when setting CEO compensation target amounts. This proposal does not require the Compensation Committee to use other employee pay data in a specific way to set CEO compensation targets. Under this proposal, the Compensation Committee will have discretion to determine how other employee pay should impact CEO compensation targets. The Compensation Committee also will retain authority to use peer group benchmarks and/or any other metric to set CEO compensation target amounts. Over time, using peer group benchmarks to set CEO compensation can lead to pay inflation. [...] The current system of using peer group benchmarks, without taking into account the pay grades or salary ranges of all company employees, when determining CEO compensation has had the effect of CEO pay far outpacing that of average employees. In 2019, the average S&P



500 CEO made 264 times that of their median employee. For our Company, the CEO/median employee ratio calculated in 2019 was 319 to 1. According to the 2006 report *The State of Working America* the ratio of CEO pay to average worker pay has risen from 35 to 1 in 1979, to 71 to 1 in 1989, to 248 to 1 in 1998. The current system of determining CEO compensation without taking into account the pay of average company employees has led to glaring inequality between the workers who make our company what it is and the person who sits at the top."

**Company's response:** The board recommends a vote against this proposal. "[T]he current program emphasizes a strong pay-for-performance philosophy and seeks to align the compensation of the Company's Chief Executive Officer and other executive officers with the interests of long-term 3M shareholders. In 2020, approximately 93 percent of the votes cast on the Company's say-on-pay proposal approved the compensation of the named executive officers as disclosed in last year's Proxy Statement. The Compensation Committee already reviews and considers the ratio of annual total compensation of our Chief Executive Officer to the annual total compensation of our median employee (excluding our Chief Executive Officer), as reported in the proxy statement, which the Company believes provides a similar perspective to the Compensation Committee at no incremental cost to the Company. 3M has operations and different compensation programs in about 70 countries around the world. Compliance with the proposal would require substantial coordination with local employees in foreign countries to collect and transmit the necessary data on "all classifications" of the Company's approximately 97,000 employees worldwide, all of which would need to be carefully analyzed and summarized. The Company believes that the time, cost, and resource burden associated with implementing the proposal is not warranted by any incremental benefit that the resulting information may be able to offer.

**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: 10.8, Abstain: 1.9, Oppose/Withhold: 87.4,

#### *6. Shareholder Resolution: Amend Certificate of Incorporation to Become a Public Benefit Corporation*

**Proponent's argument:** The John Bishop Montgomery Trust request our Board of Directors take steps necessary to amend our certificate of incorporation and, if necessary, bylaws (including presenting such amendments to the shareholders for approval) to become a public benefit corporation (a "PBC") in light of its adoption of the Business Roundtable Statement of the Purpose of a Corporation. "The Company signed the Statement, which proclaims "we share a fundamental commitment to all of our stakeholders. . . . We commit to deliver value to all of them, for the future success of our companies, our communities and our country." However, the Company is a conventional Delaware corporation, so that directors' fiduciary duties emphasize the company and its shareholders, but not stakeholders (except to the extent they create value for shareholders over time). Accordingly, when the interests of shareholders and stakeholders such as workers or customers clash, the Company's legal duty excludes all but shareholders. As one Delaware law firm reported to another signatory considering conversion, directors may consider stakeholder interests only if 'any decisions made with respect to such stakeholders are in the best interests of the corporation and its stockholders'. That contradicts the commitment made in the Statement. In contrast, directors of a PBC must 'balance' the interests of shareholders, stakeholders and a specified benefit<sup>3</sup>, giving legal status to the Statement's empty promise.

**Company's response:** The board recommends a vote against this proposal. "A basic principle of a Delaware Public Benefit Corporation is to allow a company to pursue its mission beyond just shareholder interests, in a manner that is consistent with Delaware law. At 3M, we are inspired and motivated by our Vision of "advancing every company, enhancing every home and improving every life." In collaboration with our employees, customers, partners, government and communities, we apply our expertise and technology to help solve shared global challenges. Sustainability is at the heart of our company, and it anchors our purpose-driven innovation in products, manufacturing processes and new technologies. We remain focused on executing our plans and continuing to deliver exceptional value for our customers and premium returns for our shareholders."

**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: 3.3, Abstain: 1.6, Oppose/Withhold: 95.1,

#### 4. *Approve the amendment and restatement of 3M Company 2016 Long-Term Incentive Plan*

The Company has put forward a resolution requesting shareholders to approve the amendment and restatement of 3M Company 2016 Long-Term Incentive Plan (the "Existing Plan"). The Restated Equity Plan permits the Company to Increase in the Share Reserve, Elimination of Liberal Share Recycling for Options and Stock Appreciation Rights, Increase in the Limit on Incentive Stock Options, Extend the Term, impose limitations on Dividend Payments on Unvested Awards, and Removal of Section 162(m) Provisions. The Plan is open to all employees (approximately 95,884 active employees and 11 non-employee directors) and will be administered by the Compensation Committee which has the power to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for its administration. Pursuant to the 2016 Plan, for participants other than non-employee directors, the maximum aggregate number of shares of common stock with respect to all options and stock appreciation rights that may be granted to any one person during any calendar year is 500,000 and the maximum aggregate number of shares of common stock that may be earned with respect to all restricted stock, restricted stock units, performance shares and other stock- or cash-based awards that may be granted to any one person during any calendar year is 500,000. Also, the maximum aggregate amount that may become payable pursuant to all performance bonus awards that may be paid to any one person during any calendar year is \$10,000,000. An annual limit of \$600,000 per calendar year applies to the sum of all cash and other compensation and the value of all equity, cash-based and other awards granted to a non-employee director for services as a member of the Board. The Restated Equity Plan does not provide for automatic "single-trigger" accelerated vesting upon a change in control.

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

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

Vote Cast: *Oppose*

Results: For: 88.6, Abstain: 0.7, Oppose/Withhold: 10.8,

### **ASTRAZENECA PLC AGM - 11-05-2021**

#### 5.G. *Re-elect Deborah DiSanzo - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 85.9, Abstain: 0.1, Oppose/Withhold: 13.9,

#### 5.I. *Re-elect Sheri McCoy - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 73.9, Abstain: 0.1, Oppose/Withhold: 25.9,

#### 5.L. *Re-elect Marcus Wallenberg - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. In addition, the director was the former CEO of Investor AB, a company which has a 3.93% interest in the issued share capital. However, there is sufficient independent representation on the Board. Support is recommended.

Vote Cast: *For*

Results: For: 86.1, Abstain: 0.1, Oppose/Withhold: 13.8,

#### 7. *Approve Remuneration Policy*

**Policy Rating: ADC** Changes proposed: i) Increase the maximum PSP award to 650% of the salary from the current 550%, ii) Pension contributions of current Executive Directors will be reduced to the level of the wider workforce (11% of the salary)

Overall disclosure is acceptable. The remuneration structure tends to promote excessive payouts. Total potential awards for the CEO under all incentive schemes are excessive as these can amount to significantly more than 200% of base salary. The PSP is subject to a three-year performance period which is not sufficiently long-term, though a two year post-vesting holding period applies, which is welcomed. Performance conditions do not operate interdependently, such that no payment is made for performance unless all performance conditions are achieved. Malus and claw back provisions apply for all the variable pay. Directors may be entitled to a dividend income on share awards which are paid out at the point of vesting. 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. It is stated that the Remuneration Committee will not grant cash or share awards as a 'golden hello'. Cash or share awards granted on joining the Company will be to compensate a new recruit for loss of previous remuneration awards only. Upside discretion can be used when determining severance payments especially for the vesting of outstanding share awards. This is contrary to best practice. The Company also states that downwards discretion may be used.

Vote Cast: *Oppose*

Results: For: 58.8, Abstain: 2.2, Oppose/Withhold: 38.9,

#### 9. *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. However, in the 2020 AGM the company received significant opposition of 14.73% of the votes. The company did not disclose information's how it address the issue with its shareholders. Abstention is recommended.

Vote Cast: *For*

Results: For: 85.0, Abstain: 0.2, Oppose/Withhold: 14.8,

#### 13. *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: 88.2, Abstain: 0.2, Oppose/Withhold: 11.7,

#### 14. *Amend Performance Share Plan*

It is proposed to approve the amendments to the AstraZeneca Performance Share Plan 2020 (PSP). The principal changes are: i) increase of the maximum opportunity level from 550% of the salary to 650% of the salary, ii) to permit dividend equivalent payments that accrue over the vesting period which shall be reinvested in the Company's shares and iii) where a dividend is paid or payable by the Company in respect of dividend record dates between the date of grant of such awards and the date of vesting of such awards, the number of shares which are subject to such awards is notionally increased as if the dividend payable in respect of the number

of shares subject to each such award were reinvested in additional shares in the Company at the time of such dividends. The proposed increase of the maximum is considered excessive at 650% of the salary and if the Annual Bonus maximum counted then total potential variable pay could reach 900% of the salary which is highly excessive. In addition, directors may be entitled to a dividend income on share awards which are paid out at the point of vesting. 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. Based on the mentioned concerns opposition is recommended.

Vote Cast: *Oppose*

Results: For: 60.3, Abstain: 2.3, Oppose/Withhold: 37.4,

#### WASTE MANAGEMENT INC AGM - 11-05-2021

##### 1G.. *Re-elect John C. Pope - Non-Executive Director*

Non-Executive Director. Not considered independent as 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: *Oppose*

Results: For: 84.2, Abstain: 0.1, Oppose/Withhold: 15.7,

#### CONOCOPHILLIPS AGM - 11-05-2021

##### 1O.. *Re-elect R. A. Walker - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 84.6, Abstain: 0.9, Oppose/Withhold: 14.5,

#### CAIRN ENERGY PLC AGM - 11-05-2021

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

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The salary increase in the year under review for the CEO (1.7%) is considered to be in line with the rest of the company (3%). The CEO's salary is in the median of the comparator group.

**Balance:**Changes in CEO pay over the last five years are considered in line with Company's financial performance over the same period. Total CEO realized variable pay is considered acceptable at 131.2% of base salary. The ratio of CEO to average employee pay has been estimated and is found appropriate at 7:1.

Rating: AB

Vote Cast: *For*

Results: For: 65.1, Abstain: 0.0, Oppose/Withhold: 34.9,

##### 5. *Re-elect Nicoletta Giadrossi - Chair (Non Executive)*

Independent Non-Executive Chair and chair of the nomination committee.

At this time, the company has not reported its progresses made on the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards. As chair of the nomination committee, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 79.9, Abstain: 1.8, Oppose/Withhold: 18.3,

*7. Re-elect Peter Kallos - Senior Independent Director*  
Senior Independent Director. Considered independent.

Vote Cast: *For*

Results: For: 87.6, Abstain: 0.3, Oppose/Withhold: 12.0,

### **SIMON PROPERTY GROUP INC. AGM - 12-05-2021**

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

Vote Cast: *Oppose*

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

*1.g. Elect Stefan M. Selig - Non-Executive Director*  
Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 87.5, Abstain: 0.2, Oppose/Withhold: 12.3,

#### *1.i. Elect J. Albert Smith Jr. - 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: 87.1, Abstain: 0.2, Oppose/Withhold: 12.7,

### **ANTOFAGASTA PLC AGM - 12-05-2021**

#### *22. Amend Articles*

It is proposed to amend the Company's by-laws to comply with new laws/regulations. Although it would be preferred that the company submitted each amendment for approval separately, full disclosure of the amendments has been provided and no serious concerns have been identified. Support is recommended.

Vote Cast: *For*

Results: For: 83.3, Abstain: 0.0, Oppose/Withhold: 16.7,

## KINDER MORGAN INC AGM - 12-05-2021

### 1.4. *Elect Ted A. Gardner - Non-Executive Director*

Non-Executive Director. Not considered independent owing to an aggregate tenure of over nine years. Mr. Gardner was a director of the Company's predecessor from 1999 to 2007 and served as a director of Kinder Morgan Management, LLC and Kinder Morgan G.P. from July 2011 to November 2014, where he was elected the Company's Board in December 2014. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 84.9, Abstain: 0.2, Oppose/Withhold: 14.9,

### 1.5. *Elect Anthony W. Hall Jr. - Non-Executive Director*

Non-Executive Director. Not considered independent owing to an aggregate tenure of over nine year as Mr. Hall served as a director of El Paso Corporation from 2001 until its acquisition by the Company in 2012. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 89.1, Abstain: 0.2, Oppose/Withhold: 10.7,

### 1.7. *Elect Ronald L. Kuehn Jr. - Non-Executive Director*

Non-Executive Director. Not considered independent owing to an aggregate tenure of over nine years as Mr Kuehn was a director of El Paso Pipeline GP Company, L.L.C. from August 2007 until its acquisition by the Company in November 2014. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 89.1, Abstain: 0.2, Oppose/Withhold: 10.7,

### 1.14. *Elect Robert F. Vagt - 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. In addition, it is noted that the director is a member 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: 89.3, Abstain: 0.2, Oppose/Withhold: 10.5,

## RENTOKIL INITIAL PLC AGM - 12-05-2021

### 2. *Approve Remuneration Policy*

**Policy Rating: BCC** Changes proposed: i) Annual Bonus, will be simplified by separating the personal performance element from the financial element. ii) Performance Share Plan (PSP), Annual share awards under the PSP will be increased from 250% to 375% for the CEO and from 200% to 300% for the CFO, iii) The threshold vesting level will reduce to 20% from 25%. This will mean that the proposed increase in the PSP will only be realized for delivering outperformance, as this change reduces the value at threshold to a level similar to that of the current Policy, iv) Pension contribution for new Executives will be aligned with the workforce (currently 3%

of the salary) and v) Post-cessation guidelines will be introduced which will normally require Executive Directors to hold shares, for two years post-cessation, to the value of the shareholding guideline that applied at the cessation of their employment.

Total potential variable pay could reach 555% of the salary for the CEO and 480% of the salary for the CFO and is deemed excessive since is higher than 200%. For the Annual Bonus the separation of the personal element for the financial element means that the personal performance element will operate independently rather than acting as a modifier, which is welcomed. However 40% of the Bonus is defer to shares for a three year period, this is not considered adequate, it would be preferable 50% of the Bonus to defer to shares for at least three years. On the Personal Share Plan the performance period is three years which is not considered sufficiently long-term, however a two-year holding period apply which is welcomed. In addition, the remuneration committee will not used the the proposed Policymaximums in 2021. The increase will be phased with the CEO receiving an award of 325% in 2021 and our CFO receiving an award at the current Policy level of 200%. Although the phased increase in the maximum opportunity for the Executives is welcomed, still the limits used are excessive since they are higher than 200%. Directors may be entitled to a dividend income on share awards which are paid out at the point of vesting. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. Malus and clawback provisions apply to all variable pay.

Vote Cast: *Abstain*

Results: For: 76.9, Abstain: 0.6, Oppose/Withhold: 22.5,

#### 4. Amend Performance Share Plan

It is proposed to amend the Performance Share Plan of the company. The Performance Share Plan was first approved by shareholders at the AGM in 2016 and subsequently amended at the AGM in 2018. It is proposed that the individual limit in the 2016 PSP Rules be changed to mirror the proposals in the new Directors' Remuneration Policy (the Policy), referred to under resolution 2 above. This means the annual individual limit in the 2016 PSP Rules will be increased to 375% of the salary of that individual (up from 250%) and the 300% limit in exceptional circumstances will be removed. The proposed increase of the limit is considered excessive, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 75.6, Abstain: 0.0, Oppose/Withhold: 24.4,

### ALLIED MINDS PLC AGM - 12-05-2021

#### 2. Approve the Remuneration Report

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The CEO's salary is in the upper quartile of PIRC's comparator group. Additionally, the CEO's salary increase was higher than that of the employees. This disproportional increase is happen because the CEO is newly promoted in the position during the year 2019. It is noted that the remuneration report registered a significant number of oppose votes at approximately 37.25% at the 2020 AGM which has been appropriately addressed.

**Balance:** Changes in the CEO pay over the last five years are not in line with the changes in Company's TSR performance over the same period. The CEO's variable pay for the year under review is acceptable at below 200% of salary and stands at 75% for the Annual Incentive and 0% for the phantom plan. No LTIP vested during the year. The ratio of CEO pay compared to average employee pay is considered acceptable at 5:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 60.0, Abstain: 1.8, Oppose/Withhold: 38.2,

#### 5. Elect Harry Rein - Chair (Non Executive)

Independent Non-Executive Director. 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 the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 52.9, Abstain: 0.0, Oppose/Withhold: 47.1,

*7. Elect Bruce Failing - Senior Independent Director*  
Lead Independent Director. Considered independent.

Vote Cast: *For*

Results: For: 62.7, Abstain: 0.0, Oppose/Withhold: 37.3,

*8. 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: 61.9, Abstain: 1.1, Oppose/Withhold: 37.0,

*9. 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: 61.9, Abstain: 1.1, Oppose/Withhold: 37.0,

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

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

Vote Cast: *Oppose*

Results: For: 61.2, Abstain: 1.1, Oppose/Withhold: 37.7,

*11. Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 50,000. 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: 66.7, Abstain: 1.1, Oppose/Withhold: 32.2,

*13. 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: 66.8, Abstain: 1.1, Oppose/Withhold: 32.1,



**CREDIT AGRICOLE SA AGM - 12-05-2021****O.14. *Elect Olivier Auffray - Non-Executive Director***

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. He is Chair of several boards within the Credit Agricole Group. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 86.2, Abstain: 0.6, Oppose/Withhold: 13.2,

**O.16. *Elect Louis Tercinier - Non-Executive Director***

Non-Executive Director. Not considered independent as he is the Chair of Caisse régionale Charente-Maritime Deux-Sèvres, a subsidiary of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 79.8, Abstain: 0.5, Oppose/Withhold: 19.7,

**O.19. *Elect Nicole Gourmelon - Non-Executive Director***

Non-Executive Director. Not considered independent as the director was previously Chair of CA Assurance and a director of Credit Agricole CIB. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 81.3, Abstain: 0.5, Oppose/Withhold: 18.2,

**O.17. *Elect Raphael Appert - Vice Chair (Non Executive)***

Non-Executive Director. Not considered independent as the director is the representative of SAS Rue La Boétie, a significant shareholder. He holds other positions within the Group. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 87.7, Abstain: 0.6, Oppose/Withhold: 11.7,

**O.18. *Ratify Appointment of Nicole Gourmelon as Director***

Non-Executive Director. Not considered independent as the director was previously Chair of CA Assurance and a director of Credit Agricole CIB. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 87.6, Abstain: 0.5, Oppose/Withhold: 11.8,

**ULTRA ELECTRONICS HOLDINGS PLC AGM - 12-05-2021****9. *Elect Tony Rice - Chair (Non Executive)***

Independent Non-Executive Chair.

Vote Cast: *For*

Results: For: 71.5, Abstain: 8.0, Oppose/Withhold: 20.5,

## CINEWORLD GROUP PLC AGM - 12-05-2021

### 2. *Approve Remuneration Policy*

**Policy Rating: BDC** Changes proposed: i) Executive Directors will receive a pension contribution (or cash in lieu) aligned with that of employees in their country of residence, ii) The remuneration committee will have the discretion to override formulaic outturns under the variable pay arrangement, iii) A two year holding period is incorporated in the LTIP award, iv) Shareholding guidelines have been increased to 200% of salary (from 150% of salary) for each Executive Director and, v) Malus and clawback have been extended.

The maximum potential variable award could stand higher than 200% of base salary since the Annual Bonus has a maximum opportunity of 150% of the salary and the 2021 LTIP award will have for each of Mr. Moshe Greidinger and Mr. Israel Greidinger is an award over 1.25% of the issued share capital, and for each of Mr. Nisan Cohen and Ms. Renana Teperberg an award over 0.4% of the issued share capital. The company states that the bonus will be paid in cash save for any bonus earned above 100% of salary which will be deferred into shares for a period of two years. While a deferral is welcomed, best practice would be for at least half of the bonus to be deferred into shares for at least for over two years. The use of only financial performance indicators for the variable plans are not considered adequate. Best practice is to operate at least two different performance conditions interdependently, with at least one of the metric being linked to non-financial indicators. 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. On termination, upside discretion could be used by the committee when determining severance payments under the different incentive plans

Vote Cast: *Oppose*

Results: For: 72.3, Abstain: 1.9, Oppose/Withhold: 25.8,

### 3. *Approve the Remuneration Report*

**Disclosure:** All elements of each director's cash remuneration and pension contribution are disclosed. The CEO salary is in line with the workforce as the CEO salary did not increase for the year under review. The CEO salary for the year under review is considered to be around the median range of a peer comparator group.

**Balance:** Changes in CEO pay over the last five years are not considered in line with Company's financial performance over the same period. For the year under review no variable pay (Annual Bonus or LTIP) was paid which is commendable. The ratio of CEO to average employee pay has been estimated at 103:1 and is not acceptable, it is suggested that the pay ratio to be at 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 72.2, Abstain: 2.8, Oppose/Withhold: 25.0,

### 10. *Re-elect Dean Moore - Senior Independent Director*

Senior Independent Director. Not considered independent as the director was employed from the company as interim CFO from March 2016 until January 2017. It is considered that a Senior Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 84.3, Abstain: 1.9, Oppose/Withhold: 13.8,

### 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: 87.3, Abstain: 0.0, Oppose/Withhold: 12.7,

### 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: 85.8, Abstain: 0.0, Oppose/Withhold: 14.2,

### 21. *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: 86.8, Abstain: 0.0, Oppose/Withhold: 13.2,

## BP PLC AGM - 12-05-2021

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

**Proponent's argument:** Follow This proposed that the company set and publish targets that are consistent with the goal of the Paris Climate Agreement: to limit global warming to well below 2C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5C. "The goal of the Paris Climate Agreement is to limit global warming to well below 2C above pre-industrial levels, to aim for a global net-zero emission energy system, and to pursue efforts to limit the temperature increase to 1.5C. To reach the goal of the Paris Climate Agreement, the Intergovernmental Panel on Climate Change (IPCC) special report Global Warming of 1.5C (2018) suggests that global absolute net energy-related emissions should be reduced substantially by 2030 and be close to net zero by 2050, compared to 2010 levels (page 119, table 2.4). To allow maximum flexibility, the company may use whatever metric they deem best suited to set Paris-consistent emissions reductions targets, for example a relative GHG intensity metric (GHG emissions per unit of energy). Whatever metric is chosen (relative or absolute), the targets must be proven to lead to absolute emissions reductions compliant with the Paris Climate Agreement. We believe that the company could lead and thrive in the energy transition. We therefore encourage you to set targets that are inspirational for society, employees, shareholders, and the energy sector, allowing the company to meet an increasing demand for energy while reducing GHG emissions to levels consistent with the global intergovernmental consensus specified by the Paris Climate Agreement."

**Company's response:** The board does not support this resolution and recommends shareholders vote against it. "The board welcomes the expression of support from Follow This for bp's net zero ambition, targets and aims and agrees on the need to meet the goals of Paris. However, this resolution would have a negative impact on bp's ability to deliver its Paris-consistent strategy and value for shareholders. Therefore, we do not support it and recommend shareholders vote against it. Our reasons for not supporting the resolution are as follows: bp's ambition is to be a net zero company by 2050 or sooner, and to help the world get to net zero. To deliver that ambition, bp recently set out a bold strategy that is consistent with the Paris goals [...]. To deliver this strategy, bp has also laid out detailed short-, medium and long-term targets and aims – including for Scopes 1, 2 and 3 greenhouse gas emissions. These targets and aims, developed through extensive

consultation with investors, are inextricably linked to our strategy. So, although the resolution suggests otherwise, asking us to change our targets and aims now would necessitate a change in strategy. Going back to the drawing board on strategy, targets and aims would disrupt our business plans and set us back at the very time when shareholders are asking us to focus on execution. The resolution would also compromise bp's resilience by constraining the board's ability to adjust the strategy to changing circumstances."

**PIRC analysis:** Most investors accept the Intergovernmental Panel on Climate Change (IPCC) recommendations that net emissions of carbon dioxide must fall by 45% by 2030 and reach 'net zero' by 2050 to maintain warming below 1.5 degrees Celsius and that these goals must be integrated into business planning decisions. Comprehensive reporting on climate impacts is in shareholders' interests both as a means of informing them of potential risks and opportunities faced by the company, of strategies put in place to manage those risks and opportunities, and of the evaluation of the potential impact of different scenarios, including a 1.5 degrees Celsius scenario, on their businesses, strategy, and financial planning.

Vote Cast: *For*

Results: For: 20.0, Abstain: 3.3, Oppose/Withhold: 76.7,

## OCADO GROUP PLC AGM - 13-05-2021

### 2. Approve the Remuneration Report

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The increase in CEO salary (7%), is not considered in line with the rest of the company (3 %). The CEO salary is in the median of the competitor group.

**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 realized pay for the year under review is considered excessive at approximately 870.6%. The ratio of pay between CEO and the average employee is not considered acceptable at 86:1.

Rating: AE

It is also noted that the company received significant opposition to the remuneration report at the 2020 AGM (28.53%). The company has engaged with shareholders on reasons behind this, provided explanation and also steps taken in understanding shareholders views. Is it their understanding that the level of opposition was attributable to concerns around the performance of the Growth Incentive Plan ("GIP"), the implementation of the VCP and the approach to Executive Directors' salary progression

Vote Cast: *Oppose*

Results: For: 86.9, Abstain: 0.5, Oppose/Withhold: 12.6,

### 7. Re-elect Jörn Rausing - 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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.7, Abstain: 0.0, Oppose/Withhold: 12.3,

### 8. Re-elect Andrew Harrison - Senior Independent Director

Senior Independent Director. Considered independent 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.

In addition, there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review.

Furthermore Mr. Harrison is the 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: 76.6, Abstain: 0.5, Oppose/Withhold: 22.9,

#### 20. *Issue Shares with Pre-emption Rights, in connection with a Rights Issue*

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: 86.0, Abstain: 0.0, Oppose/Withhold: 14.0,

### CAIXABANK SA AGM - 13-05-2021

#### 12. *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: 75.8, Abstain: 1.1, Oppose/Withhold: 23.1,

### ROLLS-ROYCE HOLDINGS PLC AGM - 13-05-2021

#### 4. *Re-elect Sir Ian Davis - Chair (Non Executive)*

Chair. Independent upon appointment.

Vote Cast: *For*

Results: For: 85.1, Abstain: 1.6, Oppose/Withhold: 13.3,

#### 10. *Re-elect Beverly Goulet - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 89.6, Abstain: 0.0, Oppose/Withhold: 10.4,

#### 11. *Re-elect Lee Hsien Yang - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

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

### 13. *Re-elect Sir Kevin Smith CBE - Senior Independent Director*

Senior Independent Director. Considered independent.

Vote Cast: *For*

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

### 18. *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. It is noted that the company received significant opposition of 12.42% of the votes in the 2020 AGM, and it did not disclose how it address the issue with its shareholders. Opposition is recommended

Vote Cast: *Oppose*

Results: For: 85.5, Abstain: 0.0, Oppose/Withhold: 14.4,

## VERIZON COMMUNICATIONS INC AGM - 13-05-2021

### 4. *Shareholder Resolution: Written Consent*

**Proponent's argument:** Shareholders request that the board of directors take such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. "This proposal topic won 95%-support at Dover Corporation and 88%-support at AT&T. This proposal topic also won our 43%-support at an earlier Verizon annual meeting. This 43%-support [sic] may have represented a majority vote from the shares that had access to independent proxy voting advice. Retail shareholders typically do not have such valuable information access and tend to vote with the management position. A shareholder right to act by written consent still affords Verizon management strong protection for a management holdout mentality for the status quo during the current rapidly changing business environment. Any action taken by written consent would still need 73% supermajority approval from the shares that normally cast ballots at the Verizon annual meeting to equal a majority from the Verizon shares outstanding. At a special shareholder meeting only a 51%-vote is needed. A cornerstone of the management resistance to shareholder written consent was that with special shareholder meetings instead of written consent there is 'discussion and interaction among the Company's stakeholders.' This 'discussion and interaction' opportunity has been completely blown out of the water in 2020 with the near extinction of in-person shareholder meetings."

**Company's response:** The Board of Directors recommends a vote against this proposal: "Verizon's existing corporate governance practices empower shareholders and promote Board and management accountability. In keeping with our commitment to foster and maintain responsible corporate governance, Verizon has implemented robust governance practices that provide independent oversight and promote accountability, including: a right to call a special meeting right for a group of shareholders owning an aggregate of 15% or more of the Company's outstanding stock; a proxy access right with market terms; a proactive year-round shareholder engagement program; an active Board refreshment plan with a commitment to diversity; no poison pill or dual-class shares; annual election of all Directors by majority voting; and an independent Lead Director position with clearly delineated duties."

**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. There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Although the company already provides for ownership of 15% of the share capital to call a special meeting, a 10% threshold is considered to be more adherent to best practice. Support is recommended.

Vote Cast: *For*

Results: For: 35.0, Abstain: 1.1, Oppose/Withhold: 64.0,

### 5. Shareholder Resolution: Amend Senior Executive Compensation Clawback Policy

**Proponent's argument:** Verizon shareholders urge the Board of Directors to amend the Company's Senior Executive Clawback Policy to state that conduct— not willful misconduct — may trigger application of that policy, with the Board or its Human Resources Committee to report to shareholders the results of any deliberations about whether to cancel or seek recoupment of compensation paid, granted or awarded to a senior executive. These amendments should operate prospectively and be implemented so as not to violate any contract, compensation plan, law or regulation. "Verizon's current clawback policy allows for the cancellation or the recoupment of cash-and equity-based compensation of senior executives who engage in 'willful misconduct...that results in significant reputational or financial harm to Verizon.' The Board's Human Resources Committee can also require cancellation or repayment of incentive compensation if Verizon must "materially restate its financial results based on the employee's willful misconduct or gross negligence". A clawback policy limited to 'willful misconduct' and that does not require disclosure to shareholders, is too narrow in our view. Although incentive compensation may be clawed back due to 'gross negligence,' the current policy is limited to financial harm so enormous that it results in a material restatement of financial results. We also view a 'willful misconduct' standard as too vague to ever be applied, even in situations involving significant financial or reputational injury to Verizon. It seems unlikely, for instance, that a 'willful misconduct' standard would include situations where an executive fails to exercise oversight responsibilities that result in significant financial or reputational damage to Verizon."

**Company's response:** The Board of Directors recommends a vote against this proposal: "The Board believes the proposal is defective because it would allow for a clawback of compensation without taking into account an executive's personal culpability. The Board designed Verizon's clawback policies to target and discourage wrongdoing by executives, which the Board believes is the purpose of clawback policies. Verizon's clawback policy for senior executives gives Verizon the right to cancel and/or demand reimbursement of cash and equity incentive compensation if the Human Resources Committee of the Board determines that the senior executive engaged in willful misconduct in connection with the performance of his or her duties that resulted in significant reputational or financial harm to the Company. An additional clawback policy that applies to executives' equity grants under Verizon's Long-Term Plan requires the cancellation and/or repayment of the executive's cash and equity incentive compensation if the Committee determines that Verizon was required to materially restate its financial results because of the executive's willful misconduct or gross negligence."

**PIRC analysis:** The proposal would require application of recoupment of remuneration under broader circumstances than are typically included in the compensation policies of most companies. However, while stating that measures of application of the claw-back provisions are made in the proxy filings, the company fails to make a case as of why this proposal be counter-productive. The proposal will be an advance in corporate governance, as it is considered due diligence and positive behaviour that executives (with company's assistance) do not incur in any conduct that could cause harm to the company. Moving towards a broader approach may also cover those cases where conduct cause reputational harm (and eventually a financial one) to the company. As such, this proposal is considered to be beneficial for shareholders and stakeholders alike. On this basis, support for the proposal is recommended.

Vote Cast: For

Results: For: 36.4, Abstain: 1.1, Oppose/Withhold: 62.5,

### 6. Shareholder Resolution: Submit Severance Agreement (Change-in-Control) to Shareholder Vote

**Proponent's argument:** Verizon shareholders urge the Board to seek shareholder approval of any senior executive's new or renewed compensation package that provides for severance or termination payments with an estimated value exceeding 2.99 times the sum of the executive's base salary plus target short-term bonus. "Severance or termination payments" include cash, equity or other compensation that is paid out or vests due to a senior executive's termination for any reason. Payments include those provided under employment agreements, severance plans, and change-in-control clauses in long-term equity plans, but not life insurance, pension benefits, or deferred compensation earned and vested prior to termination. "We support generous performance-based pay, but believe that shareholder ratification of 'golden parachute' severance packages with a total cost exceeding 2.99 times base salary plus target bonus better aligns compensation with shareholder interests. Verizon's 2020 Proxy disclosed (page 49) that if CEO Hans Vestberg is terminated without cause, whether or not his termination follows a change in control, he will receive an estimated \$39 million in termination payments, nearly seven times his 2019 base salary plus short-term bonus. Former CEO McAdam received an estimated \$27 million in separation payments due to his retirement, nearly five times his 2018 base salary plus short-term bonus. These payments represented the estimated value of performance-based equity grants covering periods as long as two years after McAdam's retirement (2019 Proxy, page 66). These termination

payments are in addition to compensation earned before separation, including life insurance, pension and nonqualified deferred compensation plans. A decade ago, following a 59% shareholder vote in favor, Verizon adopted a policy to seek shareholder approval for severance with a 'cash value' exceeding 2.99 times salary plus target short-term bonus.

**Company's response:** The Board of Directors recommends a vote against this proposal: "The Board believes that Verizon's existing longstanding policy to obtain shareholder ratification of any new executive employment agreement or severance agreement that provides for severance benefits with a total cash value exceeding 2.99 times the sum of the executive's base salary plus target short-term incentive opportunity provides reasonable and appropriate limits on severance payments and that the proposal would be contrary to shareholders' interests. Pro-rated vesting of equity awards instituted commencing with 2020 awards. Commencing with the 2020 equity awards granted to Verizon employees, including our executives, Verizon implemented pro-rated vesting upon an involuntary termination of employment from the company without cause outside of a change in control for employees who have not attained retirement eligibility. As a result, executives whose employment is involuntarily terminated from Verizon without cause will not receive the full acceleration value of the award but rather they will only retain a portion of their unvested equity awards based on the period of time they provide services to Verizon prior to their separation date. [...] Except in the case of termination following a change in control, Verizon does not waive any performance conditions with respect to outstanding performance-based equity awards. Payouts are determined at the end of the applicable award cycle, and there is no guarantee of any payout amount. Despite the fact that the payout of an executive's performance stock unit award can be zero, the proposal requires that the full target value of that award be used in calculating the value of severance benefits. In other words, it treats a performance-based equity award the same as an award of stock. The Board believes that this discourages the use of performance-based equity awards."

**PIRC analysis:** Change-in-control clauses are seen as anti-takeover measures which can be used to entrench under-performing management in the event of a hostile takeover and the company's argument of losing competitive advantage by submitting severance to shareholders' approval is not considered to be an effective one: as a matter of fact, ratification of severance agreements or payments is common practice in developed markets overseas (such as France or Italy). On the contrary, this proposal is considered to be an advance in corporate governance, as it will allow to reduce the gap between shareowners and management.

Vote Cast: *For*

Results: For: 37.7, Abstain: 1.0, Oppose/Withhold: 61.2,

## BALFOUR BEATTY PLC AGM - 13-05-2021

### 4. *Elect Philip Aiken - Chair (Non Executive)*

Chair. Independent upon appointment.

Vote Cast: *For*

Results: For: 77.1, Abstain: 1.2, Oppose/Withhold: 21.7,

## UNION PACIFIC CORPORATION AGM - 13-05-2021

### 6. *Shareholder Resolution: Report on EEO*

**Proponent's argument:** Shareholders request that the Board of Directors adopt a policy requiring Union Pacific Corporation ("Union Pacific") to disclose on its website its Consolidated EEO-1 Report, a comprehensive breakdown of its workforce by race, ethnicity and gender that the Company is required to submit annually to the U.S Equal Employment Opportunity Commission (EEOC). Union Pacific shall annually disclose its EEO-1 Report no later than 60 days after its submission. "In a June 3rd statement, Union Pacific Chairman and CEO Lance Fritz announced: "Union Pacific has zero-tolerance for harassment or intimidation of this or any kind. Strengthening behavior that demonstrates respect and inclusion of culturally different employees is an ethical standard at Union Pacific. We, meaning me and my team at Union Pacific, need to stand up for our beliefs, our ethics and our fellow citizens." We believe that demonstrable commitments to hire, equitably compensate, retain,



and promote black employees, other employees of color and women can contribute not only to a more just society, but to improved company performance. A May 2020 McKinsey study found that companies in the top quartile of gender diversity on executive teams were 25% more likely to experience above-average profitability than peer company diversity laggards, and that there is an even higher likelihood of outperformance among companies with more ethnically diverse executive teams."

**Company's response:** The board recommends a vote against this proposal. "Union Pacific is committed to improving and strengthening its performance through an inclusive workforce that reflects the diverse markets and communities it serves. Knowing that we still have work to do, we continue to focus on building an inclusive culture, and a talented workforce and marketplace. Union Pacific recognizes that attracting, acquiring and maintaining a diverse workforce provides access to the skills and character we need to foster innovative ideas and drive optimal, long-term business growth. Drawing on different experiences and expertise is critical for strategic decision-making, problem-solving, leadership development and creativity. Additionally, the Company makes available on its website information about its entire workforce population that is more comprehensive in that it covers a greater portion of our workforce and our D&I efforts than the EEO-1 report does, and that the Company updates on a quarterly basis ([https://www.up.com/aboutup/corporate\\_info/diversity/talented-workforce/index.htm](https://www.up.com/aboutup/corporate_info/diversity/talented-workforce/index.htm)). The Board leads the Company's D&I efforts by example, with five of its current members being diverse in gender or ethnicity. The Board's oversight of Union Pacific's continued commitment to D&I is an ongoing, full Board discussion."

**PIRC analysis:** The requested report will provide shareholders with information on the company's efforts in relation to workforce diversity. While the Company's response describes the diversity initiatives it is involved in, satisfying one part of the proponent's request, it gives data only on the total make-up of its workforce as regards gender and people of colour, and manages to avoid any such disclosures for senior management, despite saying that it has increased recruitment in this area. Listing other areas of diversity which are not covered by EEOC data requirements as a reason for not disclosing EEOC data should be used to offer to improve upon the proponent's request by disclosing all areas of diversity. A specific report on the gender and ethnic make-up of the company's workforce and a description of the policies and programmes for fostering diversity of employees would enable investors to assess the company's exposure to reputation al and human resource risk surrounding the issue of diversity. The request for a report is considered reasonable and a vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 85.6, Abstain: 1.0, Oppose/Withhold: 13.4,

#### *7. Shareholder Resolution: Report on Diversity, including pay*

**Proponent's argument:** Shareholders request that Union Pacific Corporation ("Union Pacific") publish annually a report, at reasonable expense and excluding proprietary information, assessing the Company's diversity and inclusion efforts. At a minimum the report should include: • the process that the Board follows for assessing the effectiveness of its diversity, equity and inclusion programs, • the Board's assessment of program effectiveness, as reflected in any goals, metrics, and trends related to its promotion, recruitment, and retention of protected classes of employees. "On its website, Union Pacific states, "Union Pacific's commitment to diversity and inclusion is based on our desire to create an environment where people can be their best, personally and professionally. From an employee's perspective, a diverse culture increases engagement, improves morale and supports safety. From a business perspective, diversity improves the company's decision making, problem solving, and strategic thinking, which translates into a competitive advantage with bottom-line results." Despite this statement, Union Pacific has not released meaningful information that allows investors to determine the effectiveness of its human capital management programs related to workplace diversity. Stakeholders may become concerned that Union Pacific's statements are corporate puffery, language described by the United States Federal Trade Commission as marketing exaggerations intended to "puff up" companies or products and not able to be relied upon by consumers and investors."

**Company's response:** The board recommends a vote against the proposal. "We announced our goal to reach 40% minority and 11% female representation in total for the Company by 2030; as of December 31, 2020, workforce representation of minorities and females was approximately 30% and 6%, respectively. We have committed to update the status of our minority and female representation on a quarterly basis. These quarterly updates will be made available on our website at: [https://www.up.com/aboutup/corporate\\_info/diversity/talented-workforce/index.htm](https://www.up.com/aboutup/corporate_info/diversity/talented-workforce/index.htm). • We work with trade schools that encourage women to see themselves in transportation, engineering and mechanical fields, and offer the training that helps them to succeed. Then, once in the workforce, Union Pacific takes efforts to help women manage their professional and personal careers. Additionally, Union Pacific launched a partnership with Fairygodboss.com, the largest career community for women, which provides free expert advice, job openings and company reviews written by women, for women."

**PIRC analysis:** The requested report will provide shareholders with information on the Company's efforts in relation to workforce diversity. While the Company's response describes the diversity initiatives it is involved in, no goals for diversity and inclusion and no data on the gender make-up of the workforce is provided on the company's website or sustainability report. A report on the gender make-up of the Company's workforce and more detail on the policies and programmes for fostering diversity of employees would enable investors to assess the Company's exposure to reputational and human resource risk surrounding the issue of gender diversity. The request for a report is considered reasonable and a vote for the resolution is recommended.

Vote Cast: For

Results: For: 80.6, Abstain: 0.9, Oppose/Withhold: 18.4,

#### 8. Shareholder Resolution: Climate Change Targets

**Proponent's argument:** Shareholders of Union Pacific Corporation ("UP" or the "Company") request that the Board of Directors of UP disclose at each annual meeting of shareholders, as soon as reasonably practicable but no later than 60 days after this annual meeting, and thereafter no later than the date the Company disseminates its proxy statement in connection with each subsequent annual meeting, a report disclosing the Company's greenhouse gas emission levels (the "Emissions") in a manner consistent with the Task Force on Climate-related Financial Disclosure recommendations as well as any strategy that the Company may have adopted or will adopt to reduce the Emissions in the future, including any Emissions' progress made year over year (the "Reduction Plan"), and provide shareholders with the opportunity, at each such annual meeting (starting at the next annual meeting), to express non-binding advisory approval or disapproval of the Reduction Plan. "As governments take steps to limit greenhouse gas emissions and mandate reporting in line with the Task Force on Climate-related Financial Disclosure; disclosing reduction targets, detailing strategies for embedding climate change throughout their business models and services and providing progress therein to shareholders, is an important means of assuring shareholders that management is taking seriously the physical and transition risks associated with climate change. Although this resolution cannot and does not compel the Company to do so, we believe it is in the best interests of the Company and its shareholders for the Board of Directors to disclose its current Emissions and its Reduction Plan, if any, prior to the Meeting and provide shareholders with an advisory vote on the Reduction Plan at the Meeting."

**Company's response:** The board recommends a vote against this proposal. "In March 2020, Union Pacific submitted a commitment letter to the Science Based Targets Initiative (SBTi) and intends to utilize SBTi's Sectoral Decarbonization Approach Transport tool, which models targets for direct and indirect transportation emissions, to help establish Union Pacific's GHG emissions reduction goals. SBTi assesses corporate emissions reduction targets in line with what climate scientists believe is needed to meet the Paris Agreement goals of limiting global warming to well below 2°C above pre-industrial levels. In early 2021, the Science Based Targets initiative (SBTi) approved our targets to reduce by the year 2030 the absolute scope 1 and 2 GHG emissions from our operations by 26%, measured against a 2018 baseline. [...] Union Pacific participates in and collaborates with our customers, suppliers, and other stakeholders to identify opportunities to reduce our environmental impact and manage our land responsibly, including: GreenBiz Network, a peer-to-peer learning forum for sustainability executives from a diverse group of some of the world's largest companies; The California Council for Environmental and Economic Balance, a nonprofit, nonpartisan coalition of industry, labor and public leaders working to solve the most pressing environmental policy problems facing California; and The Association of American Railroads Environmental Affairs Committee, a rail industry forum that shares best practices."

**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: 30.7, Abstain: 3.1, Oppose/Withhold: 66.3,

## CVS HEALTH CORP AGM - 13-05-2021

1.e. *Elect David W. Dorman - 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*

Results: For: 86.7, Abstain: 0.4, Oppose/Withhold: 12.9,

### 4. *Shareholder Resolution: Reduce Ownership Threshold for Shareholders to Request Action by Written Consent*

**Proponent's argument:** Shareholders request that the board of directors take the steps necessary to enable 10% of shares to request a record date to initiate written consent. "Currently it takes the formal backing 35% [sic] of all shares that normally cast ballots at the annual meeting to do so little ask for a record date for written consent. Plus any action taken by written consent would still need more than 70% supermajority approval from the shares that normally cast ballots at the annual meeting. This 70% vote requirement gives almost overwhelming supermajority protection to management that will remain unchanged. Enabling 10% of shares to apply for a record date for written consent makes sense because scores of companies do not even require 01% of stock ownership to do so little as request a record date. Taking action by written consent is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director. For instance shareholders might determine that the poorest performing directors are in need of replacement."

**Company's response:** The board recommends a vote against this proposal. "The Board chose 25% as the appropriate threshold of ownership for stockholders to call for action to be taken by written consent, to strike an appropriate balance between enhancing the ability of stockholders to facilitate an action by written consent and the risk that a lower threshold would allow groups of self-interested stockholders to subject all of our stockholders, and wasting management time, to consent solicitations that may only be relevant to a narrow constituency of stockholders. The Board believes that taking an action by written consent is a significant corporate action, the outcome of which is no different than the outcome from an annual or special meeting. An annual or special meeting comes with all of the procedural and other safeguards that help protect the interests of all stockholders. Moreover, overseeing the solicitation, delivery and examination of written consents and ensuring effective communication of information to stockholders about the subject matter also involves significant management commitment of time and focus, and imposes very substantial legal and administrative cost, all of which take our management team away from running our business. To put it simply, it should not be easy to take action by written consent, especially when the ability to call special meetings is also available at a 15% threshold."

**PIRC analysis:** There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Since the company has weak or no special meeting rights, written consent rights are very important. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 37.0, Abstain: 0.4, Oppose/Withhold: 62.6,

### 5. *Shareholder Resolution: Introduce an Independent Chair Rule*

**Proponent's argument:** Shareholders request that the Board of Directors adopt as policy, and amend the governing documents as necessary, to require that the Chair of the Board be an independent member of the Board whenever possible. Although it would be better to have an immediate transition to an independent Board Chair, the Board would have the discretion to phase in this policy for the next Chief Executive Officer transition. "If the Board determines that a Chairman is no longer independent, the Board shall select a new Chairman who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is temporally waived in the unlikely event that no independent director is available and willing to serve as Chairman. The timing may be right for a new CVS Chairman of the Board and a transition to a permanent independent Board Chairman. The current CVS Chairman, Mr. David Dorman, has 14-years long-tenure and was again rejected by more shareholders than any other CVS director in 2020. Meanwhile the CVS stock price fell from \$110 in 2015. Plus CVS management forced CVS

shareholders to pay for advertising against this proposal topic in 2020. CVS management pay was also rejected by an overwhelming 75% of shares in 2020 which, which [sic] combined with the deflated price of CVS stock, suggests that CVS management pay does not have the proper incentives."

**Company's response:** The board recommends a vote against this proposal. "CVS Health currently has an independent Chair of the Board, and has since 2011, when the Board adopted its current board leadership structure. Our Corporate Governance Guidelines provide for the Board to retain its flexibility to allocate the responsibilities of the offices of Chair and CEO in any way that is in the best interests of the Company at a given point in time. In accordance with the Corporate Governance Guidelines, the Board periodically reviews and makes a determination as to the appropriateness of its leadership structure in connection with the recruitment and succession of the Chair and/or the CEO, and whether the existing leadership and board structure enable strong independent oversight. Since May 2011, David W. Dorman, an independent director, has served as Chair. The Board reviewed our leadership structure in connection with the Company's recent leadership transition and the appointment of Karen Lynch as CEO, and determined that Mr. Dorman should continue as independent Chair. Mr. Dorman is well versed in the needs of our complex business. He provides strong leadership to our Board and advice to management, and he promotes the involvement of all our directors in decision-making. He also has significant authority for Board matters. "

**PIRC analysis:** 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. It is considered that an independent Chair can provide independent oversight of management and facilitates clearer lines of accountability with respect to corporate decisions. Although the company currently applies this principle, it is considered that adopting this policy would set it into the company practice. Support is recommended.

Vote Cast: *For*

Results: For: 24.7, Abstain: 0.4, Oppose/Withhold: 74.9,

## HISCOX LTD AGM - 13-05-2021

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

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

Vote Cast: *For*

Results: For: 85.9, Abstain: 0.0, Oppose/Withhold: 14.1,

## INTEL CORPORATION AGM - 13-05-2021

### 1.b. *Elect James J. Goetz - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 85.1, Abstain: 0.2, Oppose/Withhold: 14.6,

### 1.c. *Elect Alyssa Henry - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 80.7, Abstain: 0.3, Oppose/Withhold: 19.0,

#### 1.d. *Elect Omar Ishrak - 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: 84.7, Abstain: 0.3, Oppose/Withhold: 15.1,

#### 2. *Appoint the Auditors*

EY proposed. Non-audit fees represented 14.91% of audit fees during the year under review and 11.06% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 38.1, Abstain: 0.6, Oppose/Withhold: 61.4,

#### 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: AED. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 34.1, Abstain: 1.5, Oppose/Withhold: 64.4,

#### 5. *Shareholder Resolution: Report on Global Median Gender/Racial Pay Gap*

**Proponent's argument:** Shareholders request Intel 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 in the United States is 80 percent that of men. Intersecting race, African American women make 62 cents, Native women 60 cents, and Latina women 54 cents. At the current rate, women will not reach pay equity until 2059, African American 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 and contributed 0.15 percent to United States GDP per year. PwC estimates closing the gender pay gap could boost Organization for Economic Cooperation and Development (OECD) countries' economies by 2 trillion dollars annually. Diversity is linked to superior stock performance and return on equity. Actively managing pay equity is associated with improved representation. Underrepresented minorities account for 16 percent of Intel's workforce and 8.9 percent of leadership. Women represent 26.5 percent of the workforce and 20.8 percent of leadership. Pay gaps are literally defined as the median pay of minorities and women compared to the median pay of non-minorities and men, considered the valid way of measuring gender pay inequity by the United States Census Bureau, Department of Labor, OECD, and International Labor Organization."

**Company's response:** The board recommends a vote against this proposal. "Intel is committed to pay equity to ensure pay fairness across all employees and to continuing to maintain a high level of transparency in our diversity, inclusion, representation and pay equity data. In 2019, we announced that we had achieved gender pay equity globally while maintaining race/ethnicity pay equity in the U.S. We provide detailed reporting on the representation of our workforce by job level for gender globally and race/ethnicity in the U.S. We have also publicly released our EEO-1 survey pay data since 2019, being one of the few, if not the only, U.S. companies to do so. In 2020, Intel announced our new 2030 RISE corporate responsibility goals, which include goals to double the number of women in senior leadership globally

and underrepresented minorities in senior leadership in the U.S. and to ensure accountability for embedding inclusive leadership practices across our business."

**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: 14.3, Abstain: 1.5, Oppose/Withhold: 84.2,

#### *6. Shareholder Resolution: Report on Whether Written Policies or Unwritten Norms Reinforce Racism in Company Culture*

**Proponent's argument:** Shareholders urge the Board of Directors to prepare a report to shareholders on whether written policies or unwritten norms at the Company reinforce racism in company culture. The report should be prepared within one year, at reasonable cost and excluding proprietary and privileged information. The Board is encouraged to assess whether Company policies or unwritten norms: 1. Yield inequitable outcomes for employees based on race and ethnicity in patterns of hiring and retention, promotion and upward mobility, disciplinary action, or employee usage of benefits; 2. Establish a cultural hierarchy through perceived pressure to use "whitened" names rather than birth names, to adopt "white-centric" physical appearance standards in hair style, body art or modifications, and facial hair styles, or to avoid traditional attire and religious head coverings. "Cultural racism can do long-term emotional and psychological damage, and research shows that employees who bring their authentic selves to work perform better and report greater job satisfaction. Recently, a Fortune 500 company announced that it will allow natural black hairstyles and facial hair because the company wants all "employees feel comfortable, genuine and authentic"; Proponents believe that our company can advance long-term value creation through an analysis of whether and how systemic racism is embedded in company culture, policies and procedures."

**Company's response:** The Board recommends a vote against this proposal. "In May 2020, we announced our new 2030 RISE strategy and goals which set our corporate responsibility ambitions for the next decade to create a more responsible, inclusive, and sustainable world, enabled by our technology and the expertise and passion of our employees. Further increasing diverse representation, equity, and inclusion are key aspects of our RISE 2030 goals, which include doubling the number of women in senior leadership globally, doubling the number of underrepresented minorities in senior leadership in the U.S., and ensuring accountability for embedding inclusive leadership practices across our business. To accelerate action toward our 2030 goals and to advance racial equity, we have also linked a portion of our Annual Cash Bonus Plan for our executives and employees in 2021 to achieve a milestone of increasing representation by 10% of Black/African American employees in senior, director, and executive level roles in our U.S. population. By the end of 2023, we aim to increase representation of U.S. African American employees in senior, director, and executive roles by 30%."

**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: 10.9, Abstain: 1.9, Oppose/Withhold: 87.2,

## **SPIRE HEALTHCARE GROUP PLC AGM - 13-05-2021**

### *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: 88.1, Abstain: 0.0, Oppose/Withhold: 11.9,

## **MONEYSUPERMARKET.COM GROUP PLC AGM - 13-05-2021**

### *4. Elect Freestone, Robin - 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: 87.9, Abstain: 0.2, Oppose/Withhold: 11.9,

## **ELEMENTIS PLC AGM - 13-05-2021**

### *2. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 69.6, Abstain: 13.6, Oppose/Withhold: 16.8,

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

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

Vote Cast: *For*

Results: For: 83.5, Abstain: 0.0, Oppose/Withhold: 16.5,

### *16. Authorise the Company to Call General Meeting with Two Weeks' Notice*

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: 85.2, Abstain: 0.0, Oppose/Withhold: 14.8,

## PRUDENTIAL PLC AGM - 13-05-2021

### *26. 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: 89.5, Abstain: 0.0, Oppose/Withhold: 10.5,

## QUILTER PLC AGM - 13-05-2021

### *16. Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 50,000. 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: 81.8, Abstain: 0.3, Oppose/Withhold: 17.9,

## TT ELECTRONICS PLC AGM - 13-05-2021

### *2. Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. Next year's fees and salaries are clearly stated. The CEO's salary is in the median of PIRC's comparator group.

**Balance:** The changes in Company's TSR performance over the last five years are considered in line with the changes in CEO pay over the same period. The CEO's variable pay for the year under review represents 100.4% of his salary (Annual Bonus: 48.2% : LTIP: 52.2%) which is not excessive. Ratio of CEO pay compared to average employee pay is unacceptable at 31:1.

**Rating:** AA

Vote Cast: *For*

Results: For: 71.9, Abstain: 7.2, Oppose/Withhold: 20.9,



## ABRDN PLC AGM - 18-05-2021

### 6.F. *Re-elect Brian McBride - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 17.0, Abstain: 19.4, Oppose/Withhold: 63.5,

## JPMORGAN CHASE & CO. AGM - 18-05-2021

### 5. *Shareholder Resolution: Written Consent*

**Proponent's argument:** Shareholders request that the board of directors take the steps necessary to enable 10% of shares to request a record date to initiate written consent. "Currently it takes the formal backing 27% of all shares that normally cast ballots at the annual meeting to do so little ask for a record date for written consent. Requiring the formal backing 27% of shares to do so little ask for a record date cuts shareholders off at the knees. Why would anyone use written consent when the same 27% of shares can call a special meeting? Plus at a special meeting one does not need a 70%-vote. And any action taken by written consent would still need 70% supermajority approval from the shares that normally cast ballots at the annual meeting. This 70% vote requirement gives overwhelming supermajority protection to management status quo mentality in a rapidly changing business environment that will remain unchanged. Enabling 10% of shares to apply for a record date for written consent makes sense because scores of companies do not even require 01% of stock ownership to do so little as request a record date.

**Company's response:** The board recommends a vote against this proposal. "Contrary to the proposal's claim regarding a 27% threshold, the current Written Consent Provisions allow shareholders who own at least 20% of our outstanding shares of common stock and who satisfy the other requirements set forth in the Certificate of Incorporation to seek corporate action by written consent. Also contrary to the proposal's claim regarding a supermajority approval requirement, any action taken by written consent is decided by the vote of a simple majority of votes cast by the shareholders present and entitled to vote.

**PIRC analysis:** There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Since the company has weak or no special meeting rights, written consent rights are very important. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 46.8, Abstain: 1.1, Oppose/Withhold: 52.1,

### 6. *Shareholder Resolution: Report on Racial Equity Audit*

**Proponent's argument:** Shareholders of JPMorgan Chase & Co. ("JPMorgan") urge the Board of Directors to oversee a racial equity audit analyzing JPMorgan's adverse impacts on nonwhite stakeholders and communities of color. 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 JPMorgan's website. "High-profile police killings of Black people-most recently George Floyd-have galvanized the movement for racial justice. That movement, together with the disproportionate impacts of the COVID-19 pandemic have focused the attention of the media, the public and policy makers on systemic racism, racialized violence and inequities in employment, health care, and the criminal justice system. In October 2020, JPMorgan committed \$30 billion over five years to further racial equity.[...] A racial equity audit would help JPMorgan identify, prioritize, remedy and avoid adverse impacts on nonwhite stakeholders and communities of color. We urge JPMorgan to assess its behavior through a racial equity lens in order to obtain a complete picture of how it contributes to, and could help dismantle, systemic racism."

**Company's response:** The board recommends a vote against this proposal. "The Firm is committed to maintaining a culture of respect and inclusion and to advancing racial equity, and we have taken significant steps to combat systemic racism in the communities in which we are present. In developing our commitments to advance racial equity, we considered the impact of our businesses, products and services on all our stakeholders, including our employees, customers and suppliers, and the

communities in which we are present. Our commitments include continued extensive engagement with stakeholders who are impacted by our activities. We have developed a formal accountability process which considers feedback from our partners at both the national and local level, and strengthens the way we incorporate diversity, equity and inclusion priorities and progress into year-end performance evaluations and compensation decisions. We believe our Board provides effective oversight of culture and human capital management, in addition to our lending and charitable contributions practices."

**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: 39.8, Abstain: 1.8, Oppose/Withhold: 58.4,

#### 7. Shareholder Resolution: *Introduce an Independent Chair Rule*

**Proponent's argument:** Shareholders request that the Board of Directors adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy could be phased in for the next CEO transition. "If the Board determines that a Chair is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is temporarily waived if in the unlikely event no independent director is available and willing to serve as Chair. This proposal topic won 52% support at Boeing and 54% support at Baxter International in 2020. Boeing adopted this proposal topic in June 2020. The roles of Chairman and CEO are fundamentally different and should be held by 2 directors, a CEO and a Chairman who is completely independent of the CEO and our company. The role of the CEO and management is to run the company. The role of the Board of Directors is to provide independent oversight of management and the CEO. There is potential conflict of interest for a CEO to have the oversight role of Chairman."

**Company's response:** The board recommend a vote against this proposal. "In exercising its fiduciary duty, the Board believes it is important to retain the flexibility to determine the leadership structure that will best serve shareholders' interests. The combined Chairman and CEO role currently provides the Firm and the Board with strong leadership and continuity of expertise. The Lead Independent Director provides an independent counterbalance to the Chairman. The Board annually reviews its leadership structure. The Board's leadership structure is consistent with the majority of top U.S. public companies."

**PIRC analysis:** 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. It is considered that an independent Chair can provide independent oversight of management and facilitates clearer lines of accountability with respect to corporate decisions. Support is recommended.

Vote Cast: *For*

Results: For: 47.5, Abstain: 0.4, Oppose/Withhold: 52.0,

#### 8. Shareholder Resolution: *Political Donations*

**Proponent's argument:** Shareholders request that JP Morgan publish an annual report, at reasonable expense, analyzing the congruency of political and electioneering expenditures during the preceding year against publicly stated company values and policies. "The Public Responsibility Committee of our company's Board of Directors reviews significant policies and practices regarding political contributions, major lobbying priorities and principal trade association memberships, including their continued relevance to our company's public policy objectives. The Government Relations and Public Policy (GRPP) group of JP Morgan & Co. ("JP Morgan") directs our company's political spending for both the corporate treasury and our political action committees (PACs). However, some of JP Morgan's politically focused expenditures appear to undermine the company's values and interests. JP Morgan has affirmed its support for the Paris Climate Accord and sponsors multiple operational and financial initiatives to support a transition to a lower-carbon economy. Our company has implemented exemplary LGBTQ workplace policies and is a

recognized friend and ally to that community. Our Women on the Move initiative provides a platform for networking and career development at all levels of the company and is expanding credit and opportunity to female clients and customers as well. Management is working to expand supportive policies to working parents and their families."

**Company's response:** The Board of Directors recommends that shareholders vote against this proposal. " JPMorgan Chase has long been engaged in the political process, and believe it is in shareholders' best interest that we do so. Governance and transparency are important components of our approach. Our lobbying and political activities, as well as our governance and oversight practices, are described in detail on the Political Engagement and Public Policy Statement page of our website. The Firm has paused all giving from its PAC to evaluate our overall PAC mission, governance and giving strategies. We intend to maintain an employee political engagement program moving forward and will continue to provide detailed public disclosure about our activities and expenditures.

**PIRC analysis:** The transparency and completeness of the company's reporting on political spending could be improved. The board's argument makes clear that its compliance with political spending disclosure regulations complies only with the minimum requirements: this is considered incomplete and insufficient. Moreover, it is to the benefit of the company and its shareholders to be open about political spending 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: 29.5, Abstain: 1.4, Oppose/Withhold: 69.0,

## ROYAL DUTCH SHELL PLC AGM - 18-05-2021

### 20. *Approve the Shell Energy Transition Strategy*

There does not appear to be any individual accountability for the policy, and the policy does not list the Chair as responsible for the climate strategy. Rather, the company management and the sustainability committee hold collective responsibility, which is considered too general, and against an effective execution and accountability overall.

The company states that it will review membership of associations with adverse positions on climate positions, however the are concerns surrounding this commitment, based on prior lobbying arrangements allegedly in contravention of company policy.

The company climate strategy has a timeline, for the purpose of measuring progress on emission reductions and the overall energy transition.

The company has said it will be carbon neutral by 2050 and has extended this commitment to its Scope 1, Scope 2 and Scope 3 emissions. However, this is caveated by 'being in step with customers and society'.

There are concerns surrounding the governance structure responsible for the implementation of these policies which raises concerns about their potential effectiveness. In addition, the strategy does not seemingly address the challenges the company faces, with competition from renewable energy potentially putting fossil fuel businesses out of business on grounds of costs. The company does not seem to have a clear plan for the competitive aspects of the energy transition: Shell anticipates that no new frontiers exploration will be undertaken after 2025, but there does not seem to be a sharp target or commitment. Moreover, decarbonising 'in step with society', as opposed to taking the lead to decarbonise, appears seemingly too accommodating and inconsistent with the policy objectives and some of the targets. Under such assumption, there is no guarantee that the targets would be reviewed to a lower ambition or that they will not be met at all. We would prefer to see all targets set out in terms of absolute emissions, not intensity. There is insufficient clarity on claims of carbon capture and storage and nature based solutions. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 83.2, Abstain: 6.3, Oppose/Withhold: 10.6,

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

**Proponent's argument:** Shareholders support the company to set and publish targets that are consistent with the goal of the Paris Climate Agreement: to limit global warming to well below 2C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5C. "The goal of the Paris Climate Agreement is to limit global warming to well below 2C above preindustrial levels, to aim for a global net-zero emission energy system, and to pursue efforts to limit the temperature increase to 1.5C. To reach the goal of the Paris Climate Agreement, the Intergovernmental Panel on Climate Change (IPCC) special report Global Warming of 1.5C (2018) suggests that global absolute net energy-related emissions should be reduced substantially by 2030 and be close to net zero by 2050, compared to 2010 levels (page 119, table 2.4). To allow maximum flexibility, the company may use whatever metric they deem best suited to set Paris-consistent emissions reductions targets, for example a relative GHG intensity metric (GHG emissions per unit of energy). Whatever metric is chosen (relative or absolute), the targets must be proven to lead to absolute emissions reductions compliant with the Paris Climate Agreement. We believe that the company could lead and thrive in the energy transition. We therefore encourage you to set targets that are inspirational for society, employees, shareholders, and the energy sector, allowing the company to meet an increasing demand for energy while reducing GHG emissions to levels consistent with the global intergovernmental consensus specified by the Paris Climate Agreement."

**Company's response:** The board recommends a vote against this proposal. "Shell has already announced its target to become a net-zero emissions energy business by 2050 in step with society. The Company has also already published Paris-consistent short, medium, and long-term emission reduction targets that cover Shell's operations as well as our customers' emissions from the use of all the energy products we sell. Comprehensive details about these ambitions and Shell's business strategy were announced at the Company's Strategy Day on February 11, 2021 and are available on Shell's investor website [www.shell.com/investors](http://www.shell.com/investors). These commitments build on Shell's track record of actions over several years to address the energy transition and climate challenge. Furthermore, the Company has announced its intention to offer shareholders an advisory vote every three years, beginning 2021, on our energy transition strategy, as well as an annual advisory vote thereafter on our progress in executing our strategy. In line with that announcement, we have proposed a resolution – the first of its kind in the sector – that offers shareholders an opportunity to directly express their support (or not) for the Company's Energy Transition Strategy. This combination of targets and the Company's proactive seeking of advisory votes has been recognised by, and demonstrates the value of the extensive and constructive consultation over recent years with investor groups, including the Institutional Investors Group on Climate Change (IIGCC), CA100+ and the Church of England Pension Board. We thank them for their important contributions and their support."

**PIRC analysis:** Most investors accept the Intergovernmental Panel on Climate Change (IPCC) recommendations that net emissions of carbon dioxide must fall by 45% by 2030 and reach 'net zero' by 2050 to maintain warming below 1.5 degrees Celsius and that these goals must be integrated into business planning decisions. Comprehensive reporting on climate impacts is in shareholders' interests both as a means of informing them of potential risks and opportunities faced by the company, of strategies put in place to manage those risks and opportunities, and of the evaluation of the potential impact of different scenarios, including a 1.5 degrees Celsius scenario, on their businesses, strategy, and financial planning.

Vote Cast: *For*

Results: For: 29.4, Abstain: 3.4, Oppose/Withhold: 67.2,

## BNP PARIBAS SA AGM - 18-05-2021

### A. Elect Isabelle Coron - Employee Representative

Non-Executive Director, not considered to be independent as representative of employee shareholders. It is considered that the election or re-election of representatives of employee shareholders have potential to create a positive influence in areas of decision making normally reserved for the Board and senior management. Therefore, support is advised.

Vote Cast: *For*

Results: For: 9.1, Abstain: 2.6, Oppose/Withhold: 88.3,

### B. Elect Cecile Besse Advani - Employee Representative

Non-Executive Director, not considered to be independent as representative of employee shareholders. It is considered that the election or re-election of representatives of employee shareholders have potential to create a positive influence in areas of decision making normally reserved for the Board and senior management. Therefore, support is advised.

Vote Cast: *For*

Results: For: 9.2, Abstain: 2.6, Oppose/Withhold: 88.3,

### *C. Elect Dominique Potier - Employee Representative*

Non-Executive Director, not considered to be independent as representative of employee shareholders. It is considered that the election or re-election of representatives of employee shareholders have potential to create a positive influence in areas of decision making normally reserved for the Board and senior management. Therefore, support is advised.

Vote Cast: *For*

Results: For: 9.1, Abstain: 2.6, Oppose/Withhold: 88.3,

### *O.11. Approve Remuneration Policy of Chairman of the Board*

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

Vote Cast: *For*

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

### *O.12. Approve Remuneration Policy of CEO and Vice-CEO*

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. As abstention is not a valid vote option, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.7, Abstain: 0.0, Oppose/Withhold: 13.3,

## **ORANGE S.A AGM - 18-05-2021**

### *3. Approve the Dividend*

The Board proposes a dividend of EUR 0.90 per share. The dividend is covered by earnings. Acceptable proposal.

Vote Cast: *For*

Results: For: 88.1, Abstain: 0.0, Oppose/Withhold: 11.9,

### *5. Reelect Bpifrance Participations as Director*

Represented by Thierry Sommelet, Non-Executive Director. Not considered independent he Bpifrance is a significant shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 85.1, Abstain: 0.1, Oppose/Withhold: 14.8,

#### 15. *Approve Remuneration Policy of the Chair and CEO*

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

Vote Cast: *Oppose*

Results: For: 84.0, Abstain: 0.1, Oppose/Withhold: 15.9,

#### 16. *Approve Remuneration Policy of Vice-CEOs*

It is proposed to approve the remuneration policy of Vice-CEOs. 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: 84.7, Abstain: 0.1, Oppose/Withhold: 15.2,

#### 20. *Allow Board to Use Delegations under Item 19 Above in the Event of a Public Tender Offer*

Proposal to use the authorities sought under previous resolution 19 in time of public offer. The use of share increase or share repurchase during public offer (i.e. a takeover) is considered to be counter to shareholders best interests as they could entrench the Board subject to an hostile takeover.

Vote Cast: *Oppose*

Results: For: 52.2, Abstain: 0.0, Oppose/Withhold: 47.7,

#### 21. *Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 1 Billion*

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

Vote Cast: *Oppose*

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

#### 22. *Allow Board to Use Delegations under Item 21 Above in the Event of a Public Tender Offer*

Proposal to use the authorities sought under previous resolution 21 in time of public offer. The use of share increase or share repurchase during public offer (i.e. a takeover) is considered to be counter to shareholders best interests as they could entrench the Board subject to an hostile takeover.

Vote Cast: *Oppose*

Results: For: 40.5, Abstain: 0.4, Oppose/Withhold: 59.1,

#### 23. *Approve Issuance of Equity or Equity-Linked Securities for up to 20 Percent of Issued Capital Per Year for Private Placements, up to Aggregate Nominal Amount of EUR 1 Billion*

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

Vote Cast: *Oppose*

Results: For: 81.8, Abstain: 0.0, Oppose/Withhold: 18.1,

*24. Allow Board to Use Delegations under Item 23 Above in the Event of a Public Tender Offer*

Proposal to use the authorities sought under previous resolution 23 in time of public offer. The use of share increase or share repurchase during public offer (i.e. a takeover) is considered to be counter to shareholders best interests as they could entrench the Board subject to an hostile takeover.

Vote Cast: *Oppose*

Results: For: 40.5, Abstain: 0.0, Oppose/Withhold: 59.5,

*25. Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Under Items 19-24*

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

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

Vote Cast: *Oppose*

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

*27. Allow Board to Use Delegations under Item 26 Above in the Event of a Public Tender Offer*

Proposal to use the authorities sought under previous resolution 26 in time of public offer. The use of share increase or share repurchase during public offer (i.e. a takeover) is considered to be counter to shareholders best interests as they could entrench the Board subject to an hostile takeover.

Vote Cast: *Oppose*

Results: For: 40.7, Abstain: 0.0, Oppose/Withhold: 59.3,

*29. Allow Board to Use Delegations under Item 28 Above in the Event of a Public Tender Offer*

Proposal to use the authorities sought under previous resolution 28 in time of public offer. The use of share increase or share repurchase during public offer (i.e. a takeover) is considered to be counter to shareholders best interests as they could entrench the Board subject to an hostile takeover.

Vote Cast: *Oppose*

Results: For: 42.9, Abstain: 0.0, Oppose/Withhold: 57.0,

*31. Authorize up to 0.07 Percent of Issued Capital for Use in Restricted Stock Plans Under Performance Conditions Reserved for Some Employees and Executive Corporate Officers*

Proposal to authorize for 26 months the Board to allot shares free of charge to employees and executives.

The performance conditions are the following: the amount of the Group's organic cash flow (50% of the final entitlement), the achievement of the target being assessed at the end of a three-year period (including the year in which the free shares are granted) in relation to the organic cash flow target set for this multi-year period as previously approved by the Board of Directors; the relative change in the Orange Total Shareholder Return (TSR) (30% of the final entitlement), which will be assessed at the end of a three-year period by comparing (i) the change in the Orange TSR calculated by comparing the average Orange share price between September 1, 2020 and December 31, 2020 (i.e. 9.69 euros) with the average Orange share price between September 1, 2023 and December 31, 2023, (ii) the change in the sector TSR calculated according to the same methodology using the Stoxx Europe 600 Telecommunications index as the benchmark or any other index that may replace it, it being understood that the result will be recorded on the hit-or-miss principle between the changes in the Orange TSR and the sector TSR calculated on the basis of the Stoxx

Europe 600 Telecommunications index; the reduction in CO2 emissions compared with 2015 (10% of the final entitlement), observed on the hitormiss principle, and the increase in the proportion of women in the Group's management networks (also 10% of the final entitlement), the achievement of which will be assessed at the end of a threeyear period (including the year in which the free shares are granted), in order to support the ambition in terms of the Orange group's social and environmental responsibility as part of its Engage 2025 strategic plan.

Performance targets have not been fully quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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: 86.3, Abstain: 0.0, Oppose/Withhold: 13.7,

#### 34. *Authorise Cancellation of Treasury Shares*

The Board requests authorisation to reduce share capital via cancellation of own shares. As it is considered that this does not have a negative effect on shareholder rights, a vote in favour is recommended.

Vote Cast: *For*

Results: For: 88.2, Abstain: 0.0, Oppose/Withhold: 11.7,

#### *A. Shareholder Resolution: Amending Item 31 of Current Meeting to Align the Allocation of Free Shares to the Group Employees with that of LTIP Incentives for Executives*

Shareholder Proposals Submitted by Fonds Commun de Placement d'Entreprise Orange Actions.

It is proposed that the Board of Directors allocate free shares of the Company to all Group employees with the same regularity as the allocation of LTIP for the benefit of Corporate Officers and certain Orange group employees. The total number of free shares granted to employees, in addition to the total number of free shares that would be granted under the thirtyfirst resolution, may not represent more than 0.4% of the Company's share capital on the date of this Shareholders' Meeting and these shares will be of the same nature as those that may be allocated under this resolution. Any allocation under this resolution decided by the Board of Directors pursuant to this resolution will necessarily be subject in full to the achievement of one or more performance conditions set by the Board.

It is considered that the intention of aligning remuneration of employees with that of executives is a good one. Nevertheless, there are serious concerns with the implementation of this authority, such as the discretion of performance criteria and targets, or vesting and performance period. LTIPs are inherently flawed and it is considered that there is no need for additional LTIPs where shareholders and employee shareholders could not make an informed decision before authorising.

Vote Cast: *Oppose*

Results: For: 16.1, Abstain: 2.2, Oppose/Withhold: 81.6,

#### *B. Shareholder Resolution: Amend Article 13 of Bylaws Re: Plurality of Directorships*

Shareholder Proposals Submitted by Fonds Commun de Placement d'Entreprise Orange Actions.

It is proposed to add a new section to article 13: so that directors shall not concurrently hold more than two other directorships or Supervisory Board memberships of companies having their registered office on French territory and whose equity securities are quoted on a regulated stock market.

A number of directors at this company was unable to attend 100% of board and committee meetings during the year, without an adequate motivation disclosed by the board. This proposal will likely act in the sense of limiting external time commitments that are seemingly in detriment of full participation to board meetings. Support is recommended.



Vote Cast: *For*

Results: For: 13.5, Abstain: 2.2, Oppose/Withhold: 84.4,

**MONDELEZ INTERNATIONAL INC AGM - 19-05-2021****4. Shareholder Resolution: Consider Pay Disparity Between Executives and Other Employees**

**Proponent's argument:** Shareholders of Mondelez International, Inc. (the "Company") request that the Compensation Committee of the Board of Directors take into consideration the pay grades and/or salary ranges of all classifications of Company employees when setting target amounts for CEO compensation. Compliance with this policy is excused if it will result in the violation of any existing contractual obligation or the terms of any existing compensation plan. "Over time, using peer group benchmarks as the primary measure to set CEO compensation targets can lead to pay inflation. Although many companies target CEO compensation at the median of their peer group, certain companies have targeted their CEO's pay above median. In addition, peer groups can be cherry-picked to include larger or more successful companies where CEO compensation is higher. (Charles Elson and Craig Ferrere, "Executive Superstars, Peer Groups and Overcompensation," Journal of Corporation Law, Spring 2013). [...] High pay disparities between CEOs and other senior executives can undermine collaboration and teamwork. High levels of CEO pay can also negatively affect the morale and productivity of employees who are not senior executives. The disclosed annual total compensation of the Company's median employee fell from \$42,893 in 2017 to \$32,280 in 2019, and the Company's CEO to median employee pay ratio increased from 403 to 1 in 2017 to 561 to 1 in 2019."

**Company's response:** The board recommends a vote against this proposal. "We have a robust process to set employee compensation levels. The Compensation Committee understands that CEO pay should be perceived as reasonable relative to overall employee pay, and it is mindful of the pay grades and/or salary ranges of our employees when making compensation decisions. The approach used to set CEO and executive pay is the same approach used to determine compensation for our broader employee population, including pay competitiveness and the use of performance-based metrics that reward exceptional financial performance and promote sustainable long-term growth. The Compensation Committee also regularly reviews and considers other factors when setting CEO and executive pay, including shareholder feedback, the advisory vote on executive compensation, global pay equity, performance and progress against the strategic KPIs. These principles and practices align with our strategy, balance both individual and enterprise-wide performance, and provide competitive wages and benefits compared to the most relevant markets for our employees based on their roles, responsibilities, skills and performance. We also have consistent compensation and benefits programs across the globe where possible. For example, executives generally participate in the same annual management incentive plan as many of our managers and other associates, and they generally receive the same welfare, life and retirement benefits as other salaried employees in the same geography. To monitor the effectiveness of our program, we regularly assess how our pay components compare to those of other similarly sized multinational companies, and we make adjustments to stay competitive and to attract, retain and motivate a highly qualified diverse workforce at all levels throughout the organization."

**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: 9.2, Abstain: 1.7, Oppose/Withhold: 89.1,

**FISERV INC. AGM - 19-05-2021**

**1.07. Elect Scott C. Nuttall - Non-Executive Director**  
Independent Non-Executive Director.

Vote Cast: *For*

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

### 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: CEE. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 62.3, Abstain: 0.4, Oppose/Withhold: 37.3,

## AMPHENOL CORPORATION AGM - 19-05-2021

### 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: DDB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 89.2, Abstain: 0.0, Oppose/Withhold: 10.7,

### 4. *Amend All Employee Option/Share Scheme*

It is proposed to amend the 2017 Stock Purchase and Option Plan. The board are proposing to: (1) amend and restate the 2017 Stock Option Plan, (2) increase the number of shares of Common Stock available for issuance under the 2017 Stock Option Plan by 40,000,000 shares and (3) extend the termination date to March 30, 2031, ten years from the date the Amended 2017 Stock Option Plan was approved by the Board of Directors. For the full summary of the proposed amendments, see page 55 of the Proxy Statement. The proposed plan is open to all employees on an equal basis, and it is considered corporate governance best practice to allow employees a chance to participate in and benefit from share ownership. A vote in favour is recommended.

Vote Cast: *For*

Results: For: 83.5, Abstain: 0.1, Oppose/Withhold: 16.4,

### 5. *Increase Authorized Common Stock*

The Board are proposing to increase the number of shares of Common Stock that the Company is authorized to issue by 1,000,000,000 from 1,000,000,000 to 2,000,000,000. The additional 1,000,000,000 shares would be a part of the existing class of Common Stock and, if and when issued, would have the same rights and privileges as the shares of Common Stock presently issued and outstanding. The Board feel this is important to allow for adequate flexibility for stock splits/stock dividends, grants under equity compensation plans, financing transactions and/or acquisition transactions. No significant concerns have been identified. The proposed amendments are in line with applicable regulation. Support is recommended.

Vote Cast: *For*

Results: For: 89.7, Abstain: 0.0, Oppose/Withhold: 10.2,

### 6. *Shareholder Resolution: Proxy Access Right*

**Proponent's argument:** Shareholders request that the board of directors take the steps necessary to enable as many shareholders as may be needed to combine

their shares to equal 3% of our stock owned continuously for 3-years in order to enable shareholder proxy access. "The current arbitrary ration of 20 shareholders to initiate shareholder proxy access can be called Catch-22 Proxy Access. In order to assemble a group of 20 shareholders, who have owned 3% of company stock for an unbroken 3-years, one would reasonably need to start with 60 activist shareholders who own 9% of company stock for an unbroken 3-years because initiating proxy access is a complicated process that is easily susceptible to errors. It is a daunting process that is also highly susceptible to dropouts. The 60 activist shareholders could then be whittled down to 40 shareholders because some shareholders would be unable to timely meet all the paper chase requirements. After the 40 shareholders submit their paperwork-then management might arbitrarily claim that 10 shareholders do not meet the requirements (since the Amphenol Board of Directors is the almighty authority in interpreting the APH proxy access rules according to the APH proxy access rules) and management might convince another 10 shareholders to drop out-leaving 20 shareholders. But the current bylaws do not allow 40 shareholders to submit their paperwork to end up with 20 qualified shareholders."

**Company's response:** The board recommends a vote against this proposal. "Amphenol has always strived to maintain high corporate governance standards. We understand that proxy access is an important governance issue for many of our stockholders. Because of this, after consultation with some of our largest stockholders, our Board considered various potential formulations of proxy access, including the provisions advocated by the proponent. Based upon our Board's assessment of the relative advantages and disadvantages to stockholders of the various possible proxy access formulations, and based on feedback from some of our largest stockholders, our Board amended Amphenol's By-laws in March 2016 to implement proxy access in the form it believes is most meaningful and appropriate for the Company and its stockholders. The Proxy Access By-law permits any stockholder or group of up to 20 stockholders that beneficially owns at least 3% of our outstanding Common Stock continuously for three years to nominate candidates for election to the Board and requires the Company to list such nominees along with the Board's nominees in the Company's proxy statement. Pursuant to the Proxy Access By-law, the qualifying stockholder or group of stockholders may nominate up to 20% of the Board, rounding down to the nearest whole number of Board seats (but no less than two)."

**PIRC analysis:** The move, which would strengthen shareholder democracy is supported; and it is considered that the proposal would help to increase independent representation on the Board. The requested threshold for holding requirement for nominators is considered sufficient. Furthermore, the nomination of new Board members would facilitate greater independence in the oversight of the Company. Support is therefore recommended.

Vote Cast: *For*

Results: For: 32.7, Abstain: 0.2, Oppose/Withhold: 67.1,

## KANSAS CITY SOUTHERN AGM - 20-05-2021

### *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: 52.2, Abstain: 0.5, Oppose/Withhold: 47.3,

## ALTRIA GROUP INC. AGM - 20-05-2021

### *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: 84.5, Abstain: 0.9, Oppose/Withhold: 14.6,

#### 4. Shareholder Resolution: Report on Underage Tobacco Prevention Policies and Marketing Practices

**Proponent's argument:** shareholders request the Board of Directors commission a third-party report, at reasonable cost and omitting proprietary information, on: 1. corporate adherence to Altria's principles and policies aimed at discouraging the use of their nicotine delivery products by young people, and marketing practices to communities of color and low-income populations, 2. the effectiveness of those policies, and 3. any damage inflicted on those communities as a result and present the results of that report to shareholders by November 2021. "In December 2018 Altria announced it invested \$12.8 billion in JUUL, taking a 35% stake in the company. Altria said that it would allow JUUL products to be sold alongside Marlboro and that it "will apply its logistics and distribution experience to help JUUL expand its reach and efficiency and JUUL will have the option to be supported by Altria's sales organization, which covers approximately 230,000 retail locations." JUUL currently commands three-quarters of the e-cigarette market. Data from the Centers for Disease Control shows that 86.3% of middle and high school students had been exposed to tobacco product advertisements or promotions, and 27.5% of high schoolers reported current e-cigarette use in 2019. Additionally, an estimated 53.3% of high school students and 24.3% of middle school students reported having ever tried a tobacco product.<sup>2</sup> A multi-state coalition of Attorneys General is investigating JUUL's marketing and sales practices. The current COVID-19 pandemic has highlighted the disproportionate health impacts<sup>3</sup> Black and African American communities face. As a known risk factor<sup>4</sup> for serious complications from COVID, smoking and vaping are putting those populations at even higher risk for death."

**Company's response:** The Board recommends a vote against this shareholder proposal. "We do not believe it is in the best interests of Altria or our shareholders to adopt this proposal. Commissioning a third party to assess and report on our adherence to principles and policies related to underage tobacco prevention and marketing practices is unnecessary given our long-standing commitment to underage tobacco prevention and responsible marketing to adult tobacco consumers, compliance with laws and regulations, and fulsome disclosure of our practices and progress. These efforts are informed by benchmarking against our tobacco company peers and tobacco control and public health agencies (including the FDA). Our Board oversees these efforts and the business practices of our tobacco operating companies, including responsible marketing practices. We also provide extensive disclosure on our website and through our Corporate Responsibility Progress Reports. For many years, Altria's tobacco operating companies have worked to prevent underage use of tobacco products. Our commitment starts with our Standards for Underage Tobacco Prevention, which guide Altria's expectations of our tobacco businesses. "

**PIRC analysis:** Selling tobacco and helping customer quit smoking could be seen as inconsistent. Tobacco use is dropping globally, although not quickly enough accordingly to public health experts. Nevertheless, in a release of 19 December 2019, the World Health Organization reported as "During nearly the past two decades, overall global tobacco use has fallen, from 1.397 billion in 2000 to 1.337 billion in 2018, or by approximately 60 million people, according to the WHO global report on trends in prevalence of tobacco use 2000-2025 third edition. [...] The new report shows that the number of male tobacco users has stopped growing and is projected to decline by more than 1 million fewer male users come 2020 (or 1.091 billion) compared to 2018 levels, and 5 million less by 2025 (1.087 billion)." Age limits per se may not be sufficient, as global trends suggest that smoking decreases with age, being the youngest (until 24 years) the most smoking age group. Overall, the request for this report appears reasonable and not against the interests of the company, rather the contrary. Besides being tobacco a globally declining market, targeting a healthy lifestyle, including smoke-free habits, is considered to be in line with the recommendation of public health specialists and overall an opportunity for the company to diversify further its offering and consolidating its reputation in health products.

Vote Cast: *For*

Results: For: 35.6, Abstain: 1.2, Oppose/Withhold: 63.2,

#### 5. Shareholder Resolution: Disclosure of Lobbying Policies and Practices

**Proponent's argument:** Shareholders of Altria request the preparation of a report, updated annually, disclosing: Company policy and procedures governing grassroots lobbying communications. Payments by Altria used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient. Altria's membership in and payments to any tax-exempt organization that writes and endorses model legislation. Description of the decision-making process and oversight by management and the Board for making payments described in section 2 and 3 above. "Altria does not disclose its payments

to trade associations and social welfare organizations, or the amounts used for lobbying at the federal and state level, including grassroots lobbying. Grassroots lobbying does not get reported at the federal level under the Lobbying Disclosure Act, and disclosure is uneven or absent in states. We are concerned Altria's payments to third party groups are potentially being used for undisclosed grassroots lobbying. For example, the tobacco industry initiates 'grassroots' Facebook campaigns where "what appears to be a local group of concerned citizens is actually a lobbying campaign funded by Big Tobacco" <https://www.engadget.com/2019-09-19-big-tobacco-grassroots-facebook-ca>. And Altria financially supports the California Coalition for Fairness, which is seeking a referendum on California's ban of flavored cigarettes sales. The American Heart Association has asked the California State Attorney General to investigate instances of illegal signature-gathering tactics, where "petition circulators for this referendum have approached voters and asked them to sign this petition under the pretense that signing the petition would support banning flavored tobacco," whereas the "referendum seeks to overturn the law prohibiting the sale of flavored tobacco products." "

**Company's response:** The company recommends a vote against this proposal. "Altria and our companies have a longstanding commitment to compliance and transparency in our political activities. It is important to us that our shareholders and other stakeholders understand that we engage responsibly and constructively with government officials for the benefit of Altria and our shareholders. We believe the strong governance and oversight practices of our Board and senior management and our nationally recognized transparency and compliance program and related controls and processes, coupled with our extensive public disclosures, serve to mitigate the legal and reputational risks that could arise from our political activities and properly address the concerns underlying the proposal. Consequently, we believe the additional requested disclosures are unnecessary, would not provide any meaningful additional information to our shareholders, would impose additional and unnecessary burdens and costs and would not be in the best interests of Altria or our shareholders."

**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: 33.1, Abstain: 0.8, Oppose/Withhold: 66.1,

## THE HOME DEPOT INC AGM - 20-05-2021

### 4. Shareholder Resolution: Written Consent

**Proponent's argument:** Shareholders request that the board of directors take the steps necessary to enable 10% of shares to request a record date to initiate shareholder written consent. "Currently it takes the formal backing 35% of the shares, that cast ballots at our annual meeting, to do so little as request a record date for written consent. Plus any action taken by written consent would still needs more than our 73% supermajority approval from the shares that normally cast ballots at the annual meeting. This 73%-vote requirement gives substantial supermajority protection to management that will remain unchanged. Enabling 10% of shares to apply for a record date for written consent makes sense because scores of companies do not even require 01% of stock ownership to do so little as request a record date. Taking action by written consent is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director. For instance shareholders might determine that a poor performing director, who chairs an important board committee, is in need of replacement. The new style of tightly controlled online shareholder meetings makes the shareholder right to act by written consent all the more valuable to shareholders because almost everything is optional with an online shareholder meeting. For instance a 5-minute management report on the state of the company is completely optional. Also management answers to shareholder questions are completely optional even if management misleadingly asks for questions."

**Company's response:** The board recommends a vote against this proposal. "Currently, shareholders of at least 25% of our common stock can initiate a written consent solicitation, pursuant to a Company proposal adopted by our shareholders at our 2011 annual meeting. This shareholder proposal asks the Company to amend our written consent right to lower the percentage to 10%. Our Board continues to believe that the 25% threshold approved by our shareholders is the appropriate threshold and balances and promotes the interests of all of our shareholders, particularly when viewed together with our robust corporate governance practices and the many

shareholder protections that we have adopted."

**PIRC analysis:** There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Since the company has weak or no special meeting rights, written consent rights are very important. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 45.9, Abstain: 0.6, Oppose/Withhold: 53.5,

#### 5. Shareholder Resolution: Report on Political Contributions Congruency Analysis

**Proponent's argument:** The Home Depot publish, at least annually, a report, at reasonable expense, analyzing the congruency of political and electioneering expenditures during the preceding year against publicly stated company values and policies. "Home Depot sponsors a political action committee (PAC) which "supports public officials and candidates who understand the issues affecting Home Depot and promote a favorable business climate for the Company." However, The Home Depot's politically focused expenditures appear to be misaligned with its public statements of its views and operational practices. For example, The Home Depot has committed to achieving a 50% reduction in carbon emissions by 2035, yet is a member of the U.S. Chamber of Commerce, which has long and consistently lobbied to roll back specific US climate regulations and promoted regulatory frameworks that would significantly slow a transition away from a GHG emission-intense energy mix. In addition, The Home Depot has evidenced a strong commitment to gender diversity through its support of a women's employee resource group, a "Women in Leadership" curriculum, and other actions, including the provision of strong reproductive health and maternity benefits. Yet based on public data, the proponent estimates that in the last three election cycles, The Home Depot and its employee PAC has made political donations totaling \$6.5 million to politicians and political organizations working to weaken access to abortion. If the company's actions appear to conflict with its expressions of social and environmental intention, stakeholders may become concerned that its statements are "corporate puffery," language described by the United States Federal Trade Commission as marketing exaggerations intended to "puff up" products and not able to be relied upon by consumers and investors. Corporate political spending that conflicts with companies' priorities is gaining attention in the media, with coverage by prominent media outlets such as Bloomberg, Minneapolis Star-Tribune, New York Times, STAT and the Guardian in 2020 alone."

**Company's response:** The board recommends a vote against the proposal. "We maintain a Political Activity and Government Relations Policy (the "Policy"), available on our Investor Relations website at <https://ir.homedepot.com> under "Corporate Governance [htmltag] Overview," that sets forth the standards for participation in the political process by the Company and its associates. The Policy contains links to two reports, which are also available on our ESG Investor page of our website at <https://ir.homedepot.com/esg-investors>. The first is an annual report of the Company's political contributions. This information is also available through the Federal Election Commission's website at <http://www.fec.gov>, as is information about the political action committee sponsored by the Company (the "PAC"). The second is an annual report providing the aggregate dues paid to trade associations that engage in lobbying activities, including the total amount spent on those activities, and a list of any of these organizations to which the Company made payments of \$5,000 or more in the prior calendar year. Collectively, this information provides transparency about the Company's political contributions and trade association activities."

**PIRC analysis:** The transparency and completeness of the company's reporting on political spending could be improved. The board's argument makes clear that its compliance with political spending disclosure regulations complies only with the minimum requirements: this is considered incomplete and insufficient. Moreover, it is to the benefit of the company and its shareholders to be open about political spending 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: 37.7, Abstain: 0.7, Oppose/Withhold: 61.6,

#### 6. Shareholder Resolution: Report on Prison Labor in the Supply Chain

**Proponent's argument:** Shareholders recommend that the report examine, at the board and management's discretion, the benefits and drawbacks of enhancing supplier policies such as requiring: •Payment to workers of local prevailing wage and transparency of wage payments for incarcerated workers; •Additional company

or independent mechanisms for verification of voluntariness of labor; ●Programs to support prisoner transitions to the workforce following incarceration, such as counseling on careers, job applications, and interview preparation. "Because the company prohibits "involuntary or exploitative prison labor," the Proponent presumes that prison labor deemed "voluntary and non-exploitative" will be permitted in the Company's supply chain. The Company's Responsible Product Standards states that the use of prison labor "must be consistent with the laws where the products are manufactured"; In the U.S., despite its legality, sometimes incarcerated individuals work in unsafe or unhealthy conditions. Reports indicate that some may be coerced into working by threat of punishment for declining work. Correctional industries workers may be paid as little as \$0.33-\$1.41 per hour. In some states, incarcerated people are forced to work for no pay; Regardless of the legal nature of prison labor in the U.S., companies have experienced public backlash, boycotts, and long-term brand name and reputation harm from a connection to prison labor. This can pose financial and operational risks for companies including supply chain disruption, litigation, and reputational damage; The Proponent believes that the Company would benefit from strengthening of policies related to prison labor identified in the supply chain."

**Company's response:** The board recommends a vote against the proposal. "Our responsible sourcing program was designed using a risk-based approach to manage the many aspects of supply chain oversight, with resources allocated based on an assessment of the probability and potential magnitude of a particular risk to the Company, taking into account such factors as geographic location, applicable regulatory regimes, industry practices, and past experience. [...] The program includes Responsible Sourcing Standards and guidelines, also available in the same location on our website, which prohibit our suppliers from using forced, bonded or indentured labor, slavery or human trafficking. In early 2021, we revised the policy to prohibit all prison labor, removing the provision that previously permitted voluntary prison labor. [...]Our standards also reflect enhancements made in early 2019 to strengthen the provisions regarding forced labor, following analysis of our supply chain as well as information from peer companies and organizations like the Responsible Business Alliance ("RBA"). The updates were based on the code of conduct provided by the RBA, the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. In early 2019, we also joined the RBA's Responsible Labor Initiative, a multi-industry, multi-stakeholder initiative focused on ensuring that the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted. Membership in the Responsible Labor Initiative provides access to best practices, tools, partnerships and other resources to better enable us to understand emerging issues, enhance our forced labor due diligence program, and assist us in meeting regulatory requirements."

**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: 13.1, Abstain: 1.4, Oppose/Withhold: 85.4,

## NEXT PLC AGM - 20-05-2021

### 8. *Re-elect Michael Roney - Chair (Non Executive)*

Chair. Independent upon appointment. 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: 84.1, Abstain: 2.2, Oppose/Withhold: 13.7,

## ESSENTRA PLC AGM - 20-05-2021

### 12. *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: 82.0, Abstain: 0.0, Oppose/Withhold: 18.0,

### 13. *Issue Shares for Cash*

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

Vote Cast: *For*

Results: For: 85.5, Abstain: 0.0, Oppose/Withhold: 14.5,

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

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

Vote Cast: *Oppose*

Results: For: 76.5, Abstain: 0.0, Oppose/Withhold: 23.5,

## DTE ENERGY COMPANY AGM - 20-05-2021

### 5. *Shareholder Resolution: Political Donations*

**Proponent's argument:** Mercy Investment Services requests that the Company provide a report, updated semiannually, disclosing the Company's: 1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum. 2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including: a. The identity of the recipient as well as the amount paid to each; and' b. The title(s) of the person(s) in the Company responsible for decision-making. "Disclosure is in the best interest of the company and its shareholders. The Supreme Court recognized this in its 2010 Citizens United decision, which said, "[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages." DTE publicly discloses a policy on corporate political spending, but this is deficient because the company does not disclose any election-related spending from corporate funds. Publicly available records show DTE has contributed at least \$13.5 million in corporate funds since the 2010 election cycle (CQMoneyline: <http://moneyline.cq.com>; National Institute on Money in State Politics: <http://www.followthemoney.org>). Information on indirect electoral spending through trade associations and other tax-exempt groups such as 501(c)(4)s cannot be obtained by shareholders unless the Company discloses it. The recent public corruption scandal involving FirstEnergy in Ohio illustrates how easily corporate political payments can backfire and harm a company's good reputation and shareholder value. This proposal asks the Company to disclose all of its electoral spending, direct and indirect. This would bring our Company in line with a growing number of leading companies, including Ameren Corp., Edison International, Noble Energy Inc., and Sempra Energy, which present this information on their websites."

**Company's response:** The board recommends a vote against this proposal. "The Board believes the Company has a responsibility to shareholders to be engaged and to participate in the political process on issues that affect the Company or are significant to our industry. The Board also believes that it is in the best interests



of our shareholders to support the political and public policy process(es) by making corporate political contributions to organizations consistent with the Company's objectives as permitted by federal, state and local laws. While we are fully committed to complying with the law regarding political contributions and expenditures, the overly specific disclosure contemplated by this proposal is unnecessary, would hold the Company to a higher standard than other participants in the political process, and could have negative consequences for the Company. We have communicated with the proponent in an attempt to address their concerns, but did not reach an agreement for withdrawal of the proposal."

**PIRC analysis:** The transparency and completeness of the company's reporting on political spending could be improved. The company scores low on the CPA-Zicklin Index of corporate political accountability and the board's argument makes clear that its compliance with political spending disclosure regulations complies only with the minimum requirements: this is considered incomplete and insufficient. Moreover, it is to the benefit of the company and its shareholders to be open about political spending 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: 21.6, Abstain: 0.5, Oppose/Withhold: 77.9,

#### 6. *Shareholder Resolution: Greenwashing Audit*

**Proponent's argument:** Shareholders request that, beginning in 2021, DTE Energy annually publish a report of actually incurred corporate costs and associated actual and significant benefits accruing to shareholders and the climate from DTE Energy's global climate-related activities that are voluntary and exceed government regulatory requirements. The report should be prepared at reasonable cost and omit proprietary information. "DTE Energy's purpose is to generate profits from generating affordable and reliable electricity while obeying applicable laws and regulations. Maintaining coal plants is the least expensive option for generating electricity per the U.S. Department of Energy's National Coal Council 2018 report, "Power Reset". Yet DTE Energy management intends to shutter its remaining coal plants, presumably in hopes of somehow altering global climate change. This resolution is intended to help shareholders monitor whether DTE Energy's voluntary activities and expenditures touted as protecting the climate are actually producing meaningful benefits to shareholders and the global climate. Corporate managements sometimes engage in "greenwashing" i.e., spending shareholder money on schemes ostensibly environment-related, but really undertaken merely for the purpose of improving the public image of management. Such insincere "green" posturing and associated touting of alleged, but actually imaginary benefits to public health and the environment may harm shareholders by distracting management, wasting corporate assets, ripping off ratepayers and deceiving shareholders and the public. For example, DTE Energy intends eliminate carbon dioxide emissions to "net zero" by 2050. This action is not required by any federal or state, law or regulation."

**Company's response:** The board recommends a vote against this proposal. "The Proponent states that "Maintaining coal plants is the least expensive option for generating power. . ." and cites the U.S. Department of Energy's National Coal Council 2018 report, "Power Reset" for that analysis. This report utilized a national average of the cost of existing coal generation compared to other options (natural gas, nuclear, and renewables). However, DTE Energy, cannot use a national average figure in making our determination of which technology to use to generate electricity in its service territory. Instead, actual costs for actual power plants must be utilized rather than a national average. In order to ensure our customers are receiving the most cost-effective electricity options, we undertake complex analyses utilizing a range of cost projections for generating options and fuel prices, and also consider existing and future potential state and federal environmental regulations. [...] Nations and companies have been evaluating potential strategies to reduce GHG emissions in support of meeting the 2 Celsius limit recommended by the Paris Agreement and other organizations such as the Task Force on Climate-related Disclosures. Experts have developed recommendations for specific sector contributions to this reduction, based on current emissions trajectories and potential for reductions. DTE Energy's global climate-related activities are based upon these recommendations."

**PIRC analysis:** Increased disclosure would normally be considered to be in shareholders' interests. However, the proposed report is considered to be based on flawed methodology. The proponent seeks a report exclusively focused on short-term costs and benefits for the company, excluding the long-term benefits (also economic) of a lower carbon emission strategy. It is considered that shareholders should instead be focused on long-term value creation. Ignoring the potential long-term costs of ignoring climate change is not considered to be in shareholders best interests. Additionally, the methodology used by the proponent appears to be flawed, as the link made by the proponent to green washing is seemingly an artificial one. The Company's policy of reducing the number of coal power plants it operates is a material and positive change from an environmental perspective, not a green-washing activity. On balance, a vote in opposition of the resolution is recommended.

Vote Cast: *Oppose*

Results: For: 2.4, Abstain: 0.7, Oppose/Withhold: 96.9,

## HONEYWELL INTERNATIONAL INC. AGM - 21-05-2021

### 4. *Shareholder Resolution: Written Consent*

**Proponent's argument:** Shareholders request that the board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. Taking action by written consent in place of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director. This proposal topic won 40% support at a previous Honeywell annual meeting. And this was before the shareholder right to call a special in-person shareholder meeting was eliminated by the 2020 pandemic. Ms. Linnet Deily, the Chair of the Honeywell Governance Committee, seems to have completely overlooked the safeguards that can be built into granting shareholders a right to act by written consent. The Bank of New York Mellon Corporation (BK) said it adopted written consent in 2019 after 45%-support (clearly less than a majority vote) for a written consent shareholder proposal. And this was a year before the pandemic put an end to in-person shareholder meetings – perhaps forever. It is so much easier for management to conduct an online shareholder meeting that management is now spoiled and will never want to return to an in-person shareholder meeting. Shareholders need to be able to accomplish more outside of a shareholder meeting due to the onslaught of online shareholder meetings replacing in-person shareholder meetings. With the near universal use of online annual shareholder meetings starting in 2020 shareholders no longer have the right to discuss concerns with other shareholders and with their directors at a shareholder meeting. Shareholder meetings can now be online meetings which has an inferior format to a Zoom meeting. Shareholders are also severely restricted in making their views known at online shareholder meetings because all challenging questions and comments can be screened out at an online meeting.

**Company's response:** The Board believes that shareowner action by written consent is unnecessary in light of shareowners' right to call special meetings, which can be in-person or virtual, based on the written request of 15% of outstanding shares. Allowing any shareowner, regardless of ownership interest, to initiate a potentially unlimited number of written consent solicitations on any topic at any time could enable a single shareowner to advance its own narrow, parochial interests to the detriment of the majority of shareowners. The 15% threshold required to call a special meeting of shareowners guards against the exertion of undue influence by individual shareowners in pursuit of special interests that may be inconsistent with shareowners' long-term best interests. The Board believes the Company's current governance practices strike the right balance between the rights of shareowners to have a voice in how Honeywell is governed, on the one hand, and protecting against abusive actions that may disrupt the effective management of the Company and be detrimental to shareowner interests, on the other. We have discussed written consent proposals with the largest shareowners as part of the company's shareowner outreach program in the years when this proposal was raised. The overwhelming majority of those shareowners shared their belief that the right to act by written consent is not warranted where shareowners already have the right to call a special meeting. Since the company lowered the threshold for calling a special meeting in 2018 (from 20% to 15%), support for the Board's position has only increased, both in conversations with the largest shareowners and in annual meeting voting results.

**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. There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Although the company already provides for ownership of 15% of the share capital to call a special meeting, a 10% threshold is considered to be more adherent to best practice. Support is recommended.

Vote Cast: *For*

Results: For: 41.7, Abstain: 0.9, Oppose/Withhold: 57.4,

## FRESENIUS SE AGM - 21-05-2021

### 8.2. *Elect Michael Diekmann - Vice Chair (Non Executive)*

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

Vote Cast: *Oppose*

Results: For: 88.5, Abstain: 0.0, Oppose/Withhold: 11.5,

### 8.4. *Elect Iris Low-Friedrich - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 81.8, Abstain: 0.0, Oppose/Withhold: 18.2,

### 8.5. *Elect Klaus-Peter Müller - 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. It is noted that the Director will only be elected for one year at the 2021 AGM.

Vote Cast: *Oppose*

Results: For: 82.3, Abstain: 0.0, Oppose/Withhold: 17.7,

## ESSILORLUXOTTICA SA AGM - 21-05-2021

### 6. *Approve Compensation of Leonardo Del Vecchio, Chairman and CEO Until Dec. 17, 2020 and Chairman of the Board Since Dec. 17, 2020*

It is proposed to approve the remuneration paid or due to Leonardo Del Vecchio, Chairman and CEO Until Dec. 17, 2020 and Chairman of the Board Since Dec. 17, 2020 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. However, as abstention is not a valid voting option for this meeting, opposition is advised.

Vote Cast: *Oppose*

Results: For: 89.0, Abstain: 0.0, Oppose/Withhold: 11.0,

### 7. *Approve Compensation of Hubert Sagnieres, Vice-Chairman and Vice-CEO Until Dec. 17, 2020 and Vice-Chairman of the Board Since Dec. 17, 2020*

It is proposed to approve the remuneration paid or due to Hubert Sagnieres, Vice-Chairman and Vice-CEO Until Dec. 17, 2020 and Vice-Chairman of the Board Since Dec. 17, 2020 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. However, as abstention is not a valid voting option for this meeting, opposition is advised.

Vote Cast: *Oppose*

Results: For: 86.1, Abstain: 0.2, Oppose/Withhold: 13.7,

### 9. *Approve Remuneration Policy of Corporate Officers, Since the General Assembly*

It is proposed to approve the remuneration policy of Corporate Officers, Since the General Assembly. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 67.8, Abstain: 0.1, Oppose/Withhold: 32.2,

### 20. *Elect Romolo Bardin - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: representing Delfin in the meaning of the Combination Agreement. There is sufficient 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. On aggregate support is recommended.

Vote Cast: *For*

Results: For: 84.7, Abstain: 0.0, Oppose/Withhold: 15.3,

### 25. *Elect Jean-Luc Biamonti - Non-Executive Director*

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

Vote Cast: *Oppose*

Results: For: 80.3, Abstain: 0.6, Oppose/Withhold: 19.1,

## HILTON FOOD GROUP PLC AGM - 24-05-2021

### 3. *Re-elect Robert Watson - 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, Mr. Watson has served as CEO and Executive Chair of the company. 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.

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

Vote Cast: *Oppose*

Results: For: 81.2, Abstain: 7.6, Oppose/Withhold: 11.3,

## EMPIRIC STUDENT PROPERTY PLC AGM - 25-05-2021

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

## THE RESTAURANT GROUP PLC AGM - 25-05-2021

### 2. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed and explained. Next year's salaries and fees for directors have been disclosed. The CEO's salary is in the median of the comparator group.

**Balance:**Changes in CEO remuneration over the last five years are not considered in line with changes in TSR during the same period. No variable pay was made under the review period which is commendable. However, the ratio of CEO pay compared to average employee pay is not appropriate at 51:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 74.2, Abstain: 7.3, Oppose/Withhold: 18.4,

### 3. *Re-elect Debbie Hewitt - Chair (Non Executive)*

Chair. Independent upon appointment.

Vote Cast: *For*

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

### 6. *Re-elect Graham Clemett - Senior Independent Director*

Senior Independent Director. Considered independent.

Vote Cast: *For*

Results: For: 89.8, Abstain: 0.0, Oppose/Withhold: 10.1,

### 7. *Re-elect Alison Digges - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 88.1, Abstain: 0.0, Oppose/Withhold: 11.9,

## BANK OF GEORGIA GROUP PLC AGM - 25-05-2021

### 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: 89.1, Abstain: 0.0, Oppose/Withhold: 10.9,

## EXXON MOBIL CORPORATION AGM - 26-05-2021

### 1.1. *Elect Gregory J. Goff - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 87.4, Abstain: 0.0, Oppose/Withhold: 12.6,

### 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: ADE. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.8, Abstain: 1.7, Oppose/Withhold: 11.5,

### 4. *Shareholder Resolution: Introduce an Independent Chair Rule*

**Proponent's argument:** Shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition. Exxon Mobil's CEO Darren Woods serves both as CEO and Chair of the Company's Board of Directors. We believe the combination of these two roles in a single person weakens a corporation's governance structure. Chairing and overseeing the Board is a time intensive responsibility. A separate independent Chair also frees the CEO to manage the company and build effective business strategies. As Andrew Grove, Intel's former chair, stated, 'The separation of the two jobs goes to the heart of the conception of a corporation. Is a company a sandbox for the CEO, or is the CEO an employee? If he's an employee, he needs a boss, and that boss is the Board. The Chairman runs the Board. How can the CEO be his own boss?' In our view, shareholders are best served by a separate independent Board Chair who provides a balance of power between the CEO and the Board. The primary duty of a Board of Directors is to oversee the management of a company on behalf of shareholders. A combined CEO / Chair creates a potential conflict of interest, resulting in excessive management influence on the Board and weaker oversight of management.

**Company's response:** The board recommends a vote against the proposal. "The Board regularly and carefully considers the merits of separating or combining the Chair and CEO positions, including whether an independent director should hold the Chairmanship, especially when a CEO change occurs. The Board believes it is important to preserve the flexibility to implement the leadership structure that will best serve the long-term interests of shareholders. Adoption of a singular approach without the flexibility to adapt to company-specific circumstances would compromise the Board's ability to assess and implement the optimal oversight framework. The Board believes having the current Chairman and CEO roles combined results in significant benefits for shareholders. At present, the combined Chairman and CEO

role ensures items of greatest importance for the business are brought to the attention of, and reviewed by, the Board on a timely basis. As new issues arise, market dynamics change or risk exposures evolve, the Chairman/CEO is best positioned, with deep Company knowledge and industry experience, to highlight those issues with the Board, ensuring appropriate oversight and discussion."

**PIRC analysis:** 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. It is considered that an independent Chair can provide independent oversight of management and facilitates clearer lines of accountability with respect to corporate decisions. Support is recommended.

Vote Cast: For

Results: For: 21.3, Abstain: 3.4, Oppose/Withhold: 75.3,

#### 5. Shareholder Resolution: Reduce Ownership Threshold for Shareholders to Call Special Meeting

**Proponent's argument:** Shareholders ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting without the need to get court approval. " A special shareholder meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director. [...] And since the 2020 Exxon annual meeting there has been a dramatic development that makes shareholder meetings so much easier for management with a substantial cost reduction – the avalanche of bare bones online shareholder meetings."

**Company's response:** The Board recommends you vote against this proposal. " The Board believes it is important for shareholders to have the right to call a special shareholder meeting, a right that ExxonMobil recently expanded in response to shareholder requests. With the enhancements, ExxonMobil shareholders are able to call a special meeting in two ways. Shareholders holding at least 15 percent of shares outstanding can call a special meeting. Alternatively, under New Jersey law, shareholders holding at least 10 percent of outstanding stock may call a special meeting upon a court order showing good cause. [...] ExxonMobil's by-laws enable shareholders of at least 15 percent of common stock outstanding to call a special meeting, which provides a meaningful and more advantageous shareholder right than most large publicly traded companies. The most common threshold among S&P 500 companies is 25 percent."

**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: 20.1, Abstain: 3.7, Oppose/Withhold: 76.2,

#### 6. Shareholder Resolution: Issue Audited Report on Financial Impacts of IEA's Net Zero 2050 Scenario

**Proponent's argument:** Shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information. "As evidence of the severe impacts from climate change mounts, policy makers, companies, and financial bodies are increasingly focused on the economic impacts<sup>1</sup> from driving greenhouse gas (GHG) emissions to well-below 2 degrees Celsius below pre-industrial levels (including 1.5 C ambitions), as outlined in the Paris Agreement; This focus has led many ExxonMobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) to commit to major GHG reductions, including setting 'net zero emission' goals by 2050; Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios,<sup>4</sup> and to provide investors insights about the potential impact on their financial statements; As of November 2020, ExxonMobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so."

**Company's response:** The Board recommends you vote against this proposal: "the Company's 2021 Energy & Carbon Summary, which includes analyses through 2040 on Intergovernmental Panel on Climate Change (IPCC) 74 "Lower 2C" and International Energy Agency (IEA) scenarios consistent with the Task Force on Climate-related Financial Disclosures (TCFD) guidance on scenario analysis. The TCFD is clear that scenario analyses should "evaluate a range of hypothetical

outcomes by considering a variety of alternative plausible future states (scenarios) under a given set of assumptions and constraints." TCFD emphasizes that "a critical aspect of scenario analysis is the selection of a set of scenarios that cover a reasonable variety of future outcomes, both favorable and unfavorable." The Board believes that a separate report based on a single scenario would be inferior to existing disclosures, inconsistent with TCFD guidance, and potentially misleading to stakeholders. Furthermore, the IEA Net Zero 2050 scenario sought by the proponent only goes through 2030, not 2050, and the IEA Net Zero 2050 scenario estimated 2030 oil and gas consumption that is equal to, and in some cases greater than, some of the scenarios already analyzed in the Energy & Carbon Summary. Because of this, the Energy & Carbon Summary already analyzes scenarios with lower oil and gas demand by 2030 than the IEA Net Zero 2050 scenario."

**PIRC analysis:** It is considered that shareholders should decide annually on an advisory basis on the company's report on its climate strategy. Companies should report consistently with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). 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, reporting on the policies and practice to meet the criteria of the Net Zero Indicator 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, would also be considered considered to be in the long-term interests of shareholders. Support is recommended.

Vote Cast: *For*

Results: For: 47.0, Abstain: 3.8, Oppose/Withhold: 49.2,

#### *7. Shareholder Resolution: Report on Costs and Benefits of Environmental-Related Expenditures*

**Proponent's argument:** Shareholders request that, beginning in 2021, ExxonMobil publish an annual report of the incurred costs and associated significant and actual benefits that have accrued to shareholders, the public health and the environment, including the global climate, from the company's environment-related activities that are voluntary and that exceed U.S. and foreign compliance and regulatory requirements. The report should be prepared at reasonable cost and omit proprietary information." Corporate managements sometimes engage in the practice of 'greenwashing,' which is defined as the expenditure of shareholder assets on ostensibly environment-related activities but possibly undertaken merely for the purpose of improving the company's or management's public image. Such insincere 'green' posturing and associated touting of hypothetical or imaginary benefits to public health and the environment may harm shareholders by wasting corporate assets, and deceiving shareholders and the public by accomplishing nothing real and significant for the public health and environment. [...] ExxonMobil spends \$1 billion per year and has spent \$8 billion since 2000 researching, developing, and deploying allegedly low-carbon technologies (including algae biofuels, biodiesel from agricultural waste and carbonate fuel cells) according to a November 3, 2017 Bloomberg News report. ExxonMobil touts its algae activities in paid television advertisements. But what are the actual benefits to shareholders, the public health and the environment of the money spent? By how much, for example, has any of these activities reduced, or can be expected to reduce, climate change?"

**Company's response:** The Board recommends you vote against this proposal. "Part of the Company's objective is to contribute to society's growing need for energy while mitigating the potential impacts of climate change. ExxonMobil aims to research and develop technologies to provide lower-carbon products that are scalable and affordable. Toward this end, ExxonMobil has been at the forefront of many technologies that have enabled energy to be produced and delivered in a safe, affordable and sustainable manner. The Company aims for industry-leading greenhouse gas performance across its businesses by 2030, and recently announced new emission reduction plans for 2025, which are projected to be consistent with the goals of the Paris Agreement. The Company's investment plans provide growth of high-performance, lower-carbon products to meet growing demand and to help customers reduce their emissions. As the world demands more energy and fewer emissions, ExxonMobil is well positioned to contribute through development of scalable, high-impact solutions to help reduce emissions in power generation, industry and transportation. The Company is working to develop breakthrough solutions in areas such as carbon capture, biofuels, hydrogen and energy-efficient process technology. [...] The Company recently announced plans to further reduce greenhouse gas emissions in its operations by 2025, compared to 2016 levels, while aiming for industry-leading greenhouse gas performance across its businesses by 2030. The 2025 plans, which are consistent with the goals of the Paris Agreement, include a 15- to 20-percent reduction in greenhouse gas intensity of Upstream operations. The reductions will be supported by a 40- to 50-percent reduction in methane intensity and a 35- to 45-percent reduction in flaring intensity. The emission reduction plans cover Scope 1 and Scope 2 emissions from assets operated by the Company. The



Company also plans to eliminate all routine flaring by 2030 in its Upstream operations, in line with the World Bank's initiative."

**PIRC analysis:** Increased disclosure would normally be considered to be in shareholders' interests. However, the proposed report is considered to be based on flawed methodology. The proponent seeks a report exclusively focused on short-term costs and benefits for the company, excluding the long-term benefits (also economic) of a lower carbon emission strategy. It is considered that shareholders should instead be focused on long-term value creation. Ignoring the potential long-term costs of ignoring climate change is not considered to be in shareholders best interests. Additionally, the methodology used by the proponent appears to be flawed, as the link made by the proponent to green washing is seemingly an artificial one. The Company's policy of reducing the number of coal power plants it operates is a material and positive change from an environmental perspective, not a green-washing activity. On balance, a vote in opposition of the resolution is recommended.

Vote Cast: *Oppose*

Results: For: 5.0, Abstain: 3.4, Oppose/Withhold: 91.6,

#### 8. Shareholder Resolution: Report on Political Contributions

**Proponent's argument:**shareholders of Exxon Mobil Corp. hereby request the Company to prepare and semiannually update a report, which shall be presented to the pertinent board of directors committee and posted on the Company's website, disclosing the Company's: (a) Policies and procedures for making electoral contributions and expenditures (direct and indirect) with corporate funds, including the board's role (if any) in that process; and (b) Monetary and non-monetary contributions or expenditures that could not be deducted as an 'ordinary and necessary' business expense. " Exxon publicly discloses a policy on corporate political spending and its direct contributions to candidates, parties, and committees but this is deficient because Exxon does not disclose the following: Direct independent expenditures; Payments to trade associations that the recipient organization may use for election-related purposes; Payments to any other tax-exempt organizations such as 501(c)(4)s that could be used for election-related purposes; and, Payments to influence the outcome of ballot measures. Information on indirect electoral spending through trade associations and 501(c)(4) groups cannot be obtained by shareholders unless the Company discloses it. This proposal asks the Company to disclose all of its electoral spending, direct and indirect. This would bring our company in line with a growing number of leading companies, including AT&T, Union Pacific Corp., and ConocoPhillips, which present this information on their websites. The Company's Board and shareholders need comprehensive disclosure to be able to fully evaluate the use of corporate assets in elections. We urge your support for this critical governance reform."

**Company's response:** The Board recommends you vote against this proposal. "In addition to federal and state regulations, ExxonMobil's political contributions are subject to a strict internal review process that requires approval by the Chairman as directed by the Company's Political Activities Guidelines[...]. The political contributions of the Corporation, as well as the contributions of the political action committees established by the Corporation, are reviewed with the Board of Directors annually. Procedures are subject to controls and verified during internal audits of the Company's political activities. With respect to contributions to third-party organizations, the Company publishes on its website a list of all U.S. trade associations in which the Corporation or its affiliates are members and to which it made payments of \$100,000 or more and a portion of which was reported as used for lobbying. These organizations represent approximately 95 percent of the Company's annual trade association expenditures.

**PIRC analysis:** The transparency and completeness of the company's reporting on political spending could be improved. The board's argument makes clear that its compliance with political spending disclosure regulations complies only with the minimum requirements: this is considered incomplete and insufficient. Moreover, it is to the benefit of the company and its shareholders to be open about political spending 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: 29.5, Abstain: 3.2, Oppose/Withhold: 67.3,

#### 9. Shareholder Resolution: Report on Lobbying Payments and Policy

**Proponent's argument:** shareholders of ExxonMobil 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 ExxonMobil used for (a) direct or indirect lobbying or (b) grassroots lobbying

communications, including in each case the amount of the payment and the recipient. 3. Description of management's and the Board's decision-making process and oversight for making payments described above. "ExxonMobil belongs to the American Fuel & Petrochem Manufacturers, American Petroleum Institute, Business Roundtable, Chamber of Commerce, Consumer Energy Alliance, and National Association of Manufacturers, which altogether spent \$122,009,109 on lobbying for 2019. CEA has drawn attention for its involvement in a grassroots campaign that sent emails based on the same template and using 'the names and addresses of people without their knowledge.' ExxonMobil does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying. We believe ExxonMobil's lack of trade association lobbying disclosure presents reputational risks that could harm long-term value creation. For example, ExxonMobil supports the Paris climate agreement, yet a 2019 report found Exxon was one of five companies spending \$1 billion as part of a 'carefully-managed trend of campaigns designed to portray positive messaging combined with negative policy lobbying on climate change in an effort to maintain public-facing support while simultaneously blocking the creation of binding policies.' Highlighting these risks, Norway's largest private asset manager Storebrand divested from ExxonMobil citing its lobbying practices 'amid growing concern about trade groups lobbying to soften green finance rules in Europe.' "

**Company's response:** The Board recommends you vote against this proposal. "ExxonMobil's participation in trade associations enables the Company to effectively advocate for positions it supports, share its views with other companies, and influence trade association policy debates. The Company publishes on its website details on its trade association approach and participation, including a list of key recipient organizations and the primary policy topics relevant to ExxonMobil in which those organizations are involved. The list accounts for more than 95 percent of the Company's annual trade association expenditures. The Company's contributions to trade associations and other organizations do not constitute an endorsement of every public policy position or point of view expressed by a recipient organization. While it would be impractical to expect perfect alignment among ExxonMobil's policy positions and those of every trade association, and unreasonable to expect any single member of a given association to ensure that was the case, the Company encourages trade associations to support initiatives that it believes in, including the goals of the Paris Agreement and the United Nation's Sustainable Development Goals. As is true of all nonprofit groups it supports, the Company conducts an annual evaluation of the merits of each organization and reserves the right to initiate, sustain, or withdraw support at any time."

**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: 53.8, Abstain: 3.4, Oppose/Withhold: 42.9,

#### *10. Shareholder Resolution: Report on Corporate Climate Lobbying Aligned with Paris Agreement*

**Proponent's argument:** Shareholders request that the Board of Directors conduct an evaluation and issue a report within the next year (at reasonable cost, omitting proprietary information) describing if, and how, ExxonMobil's lobbying activities (direct and through trade associations) align with the goal of limiting average global warming to well below 2 degrees Celsius (the Paris Climate Agreement's goal). The report should also address the risks presented by any misaligned lobbying and the company's plans, if any, to mitigate these risks. "As investors, we view fulfillment of the Paris Agreement's agreed goal—to hold the increase in the global average temperature to 'well below' 2C above preindustrial levels, and to pursue efforts to limit the temperature increase to 1.5C – as an imperative. We believe that unabated climate change will have a devastating impact on our clients, plan beneficiaries, and the value of their portfolios. We see future 'business as usual' scenarios of 3–4C or greater as both unacceptable and uninvestable. In 2019, two hundred institutional investors managing \$6.5 trillion wrote to ExxonMobil, seeking to understand how the company is managing this critical governance issue. Insufficient information is available to evaluate how ExxonMobil ensures that its lobbying activities, directly, in the company's name, and indirectly, through trade associations, align with the Paris Agreement's goals, and how misalignments are addressed. The investors received no response. By contrast, more than a dozen large European companies have reached agreement with investors. Shell, BP and Total have published reports evaluating the positions their trade associations are taking on climate change. We commend the company for its public support for strong methane regulations and its decision to withdraw from at least one membership organization due to its positions on climate change. However, publicly available information on ExxonMobil's ongoing lobbying efforts through trade associations still presents serious concerns."

**Company's response:** The Board recommends you vote against this proposal. "ExxonMobil's participation in trade associations enables the Company to effectively advocate positions it supports, share its views with others companies, and influence trade association policy debates. With respect to membership fees to third-party organizations, the Company publishes on its website a list of all U.S. trade associations in which the Corporation or its affiliates are members and to which it made payments of \$100,000 or more and a portion of which was reported as used for lobbying. These organizations represent approximately 95 percent of the Company's annual trade association expenditures. The publication includes details on the Company's policy principles on addressing climate risks, including support for the goals of the Paris Agreement, and the consistent communication of those principles to trade associations to which the Company is a member."

**PIRC analysis:** The transparency and completeness of the Company's reporting on lobbying expenditures related to climate is considered insufficient. The proposal is advisory and is considered adequately worded to respect the prerogatives of the board. It is considered that the proposal does not mean to undermine the past work of the company in this respect, or the positive role of these associations in some aspects. Steps forward are encouraging, and the company has demonstrated ability to monitor and act, when the work of some associations have come into conflict with the company's support of the Paris Agreement. Although company's contributions to trade associations do not necessarily equate with that association's political or lobbying activities, it is considered to be to the benefit of the Company and its shareholders to be open about those activities, especially if they are antithetical to its published statements about climate risk and how it is attempting to manage this. In this sense, a vote in favour is recommended as a way to show shareholders' support for the board efforts to oversee and manage its relationships with industry associations, whose positioning may not align with either the position adopted by the company or the interests of long-term investors.

Vote Cast: *For*

Results: For: 61.7, Abstain: 3.4, Oppose/Withhold: 34.9,

### 1.3. *Elect Alexander A. Karsner - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 72.7, Abstain: 0.0, Oppose/Withhold: 27.3,

### 1.4. *Elect Anders Runevad - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 16.6, Abstain: 0.0, Oppose/Withhold: 83.4,

## M&G PLC AGM - 26-05-2021

### 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: 85.6, Abstain: 0.0, Oppose/Withhold: 14.4,

## DASSAULT SYSTEMES SE AGM - 26-05-2021

### *O.5. Approve Remuneration Policy of Corporate Officers*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. The Company has disclosed past achievements and quantified future targets. There do not appear to be claw back clauses in place over the entirety of the variable remuneration, which is against best practice. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 79.0, Abstain: 0.1, Oppose/Withhold: 20.9,

### *O.7. Approve Compensation of Bernard Charles, Vice Chairman of the Board and CEO*

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. The Company has disclosed past achievements and quantified future targets. There do not appear to be claw back clauses in place over the entirety of the variable remuneration, which is against best practice. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 79.1, Abstain: 0.1, Oppose/Withhold: 20.8,

## INTERTEK GROUP PLC AGM - 26-05-2021

### *2. Approve Remuneration Policy*

**Rating: BDB.**

Pay elsewhere in the Company is used in determining directors pay. Maximum potential benefits are disclosed. There is an adequate deferral period for the Annual Bonus. Malus and clawback apply. Performance measures for the Long Term Incentive Plan (LTIP) are not appropriately linked to non-financial KPIs. The performance period is three years with an additional two-year post-vesting holding period. Malus and clawback apply. The total potential rewards under all incentive schemes are considered to be excessive at 500% of salary. A scheme is available to enable all employees to benefit from business success without subscription. Payments in lieu of notice will reduce if director finds alternative employment. There is no evidence that upside discretion cannot be used while determining severance. On balance, and due to concerns over policy excessiveness, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 67.5, Abstain: 1.8, Oppose/Withhold: 30.7,

## PAYPAL HOLDINGS INC AGM - 26-05-2021

### *4. Shareholder Resolution: Written Consent*

**Proponent's argument:** Shareholders request that the board of directors take such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. "This proposal topic won 95%-support at Dover Corporation and 88%-support at AT&T. This proposal topic also won our 41%-support at the 2020 PayPal annual meeting. Plus the 2020 proposal did not point out that our management was apparently ignorant of the basic fact that written consent can be structured so that all shareholders get notice of a proposed action. Plus PayPal management may be ignorant of the fact that written consent would require a 64%-approval from the shares that normally vote at the PayPal annual meeting. How can a 64%-vote represent a special

interest? A cornerstone of the management resistance to this proposal topic was that shareholders can call a special meeting - but this right took a big hit in 2020 with the avalanche of bare bones online shareholder meetings. Shareholders are so restricted in online meetings that management will never want a return to in-person shareholder meetings."

**Company's response:** The board recommends a vote against the proposal. "The Board strongly believes that PayPal's stockholders are best served by holding meetings in which all stockholders are provided with an opportunity to consider and discuss the proposed actions and vote their shares. PayPal's Certificate of Incorporation and Bylaws provide that special meetings of PayPal's stockholders may be called at the request of holders of 20% of PayPal's outstanding common stock. The Company's special meeting requirements strike an appropriate balance between providing stockholders with a meaningful ability to propose actions for stockholder consideration between annual meetings and protecting against the risk of a small minority of stockholders using this mechanism for their own special interests, which may cause disruption in the effective management of the Company and be detrimental to stockholders' interests"

**PIRC analysis:** There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Since the company has weak or no special meeting rights, written consent rights are very important. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 43.6, Abstain: 0.3, Oppose/Withhold: 56.1,

#### 5. Shareholder Resolution: Report on Whether Written Policies or Unwritten Norms Reinforce Racism in Company Culture

**Proponent's argument:** Shareholders urge the Board of Directors to prepare a report to shareholders on whether written policies or unwritten norms at the Company reinforce racism in company culture. "Tema Okun, a veteran racial justice facilitator, illustrates the insidious nature of white supremacist culture by explaining that "[c]ulture is powerful precisely because it is so present and at the same time so very difficult to name or identify." Cultural racism can manifest as people of color being ignored, overly criticized, undermined, or assumed as inferior. Other manifestations can be strict cultural norms or criticisms of certain hairstyles, manners of speech, or other physical appearances; Cultural racism can do long-term emotional and psychological damage, and research shows that employees who bring their authentic selves to work perform better and report greater job satisfaction. Recently, a Fortune 500 company announced that it will allow natural black hairstyles and facial hair because the company wants all "employees feel comfortable, genuine and authentic"; Proponents believe that our company can advance long-term value creation through an analysis of whether and how systemic racism is embedded in company culture, policies and procedures."

**Company's response:** The board recommends a vote against the proposal. "We maintain a website devoted to "Diversity and Inclusion at PayPal" (<https://www.paypal.com/us/webapps/mpp/jobs/culture>) that discusses methods through which we promote diversity and inclusion within and outside of our workplace, including the following examples: • Confirmation that PayPal "strive[s] for a diverse workforce that includes people of different ethnic and cultural backgrounds, gender and sexual orientation, veteran status, abilities, and those who bring diverse thoughts, opinions, experience and leadership styles – and all other characteristics that make people unique." • Active support of PayPal employees through our Employee Resource Groups ("ERGs"), which serve as (i) a support mechanism for creating an inclusive environment for our employees, (ii) a collective voice around shared issues or concerns specific to a particular community to promote a sense of belonging and an inclusive and respectful workplace and (iii) a resource for opportunities related to employment, education, training, retention and business outreach and development. We support eight ERGs, including communities to support our Black, Hispanic, Asian, women, Interfaith, LGBTQ+, disabled and military employees and their allies. • Amplify, the ERG that supports our Black community, launched a pilot program to reassess how to support members of the Black community more holistically, both internally and externally, in light of the social and civil unrest that occurred in 2020."

**PIRC analysis:** The requested report will provide shareholders with information on the Company's efforts in relation to workforce diversity. While the Company's response describes the diversity initiatives it is involved in, no goals for diversity and inclusion and no data on the gender make-up of the workforce is provided on the company's website or sustainability report. A report on the gender make-up of the Company's workforce and more detail on the policies and programmes for fostering diversity of employees would enable investors to assess the Company's exposure to reputational and human resource risk surrounding the issue of gender diversity. The request for a report is considered reasonable and a vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 11.7, Abstain: 1.6, Oppose/Withhold: 86.7,

## 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: ACA. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 88.7, Abstain: 0.4, Oppose/Withhold: 11.0,

## FIRSTGROUP PLC EGM - 27-05-2021

### 1. *Approve Sale of First Student and First Transit*

On 23 April 2021, FirstGroup announced that it had entered into an agreement for the sale of First Student and First Transit to EQT Infrastructure for approximately GBP3.3 billion. The Board unanimously believes that the Transaction is in the best interests of Shareholders as a whole for the following reasons: the Transaction recognises the long-term strategic value of each of First Student and First Transit. The Target Businesses have leading market positions, meaningful revenue and earnings growth potential and benefit from resilient contract-based business models as demonstrated by their robust performance through the COVID-19 pandemic; the Transaction implies a headline multiple of 8.9x the combined FY20 EBITDA (on a pre-IFRS 16 basis) of First Student and First Transit; the Transaction value appropriately recognises the prospects for a recovery to normal levels of business activity which are currently being suppressed by the effects of the COVID-19 pandemic; the Transaction allows the Group to make a £336 million contribution to UK DB Pension Schemes (of which £116 million will be held in escrow and may be released back to the Group on conclusion of subsequent triennial valuations from 2024 onwards, depending on scheme performance) and address other longstanding liabilities (including those relating to the Greyhound business) while ensuring the ongoing business is appropriately capitalised to continue investing for the future; the Transaction results in approximately £365 million being available to be returned to Shareholders through the proposed Return of Value by the end of the calendar year, following realisation of the inherent value of First Student and First Transit and the financial consequences of the Transaction noted above; and the Transaction is in line with the Group's portfolio rationalisation strategy to exit its North American businesses and focus on the growth and value creation opportunities available to the Retained Group's leading bus and rail divisions in the UK. Greyhound remains noncore and the Group continues to pursue all exit options for it while de-risking its liabilities and actively managing its substantial property portfolio for value.

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 and there is sufficient independence on the Board. Support is recommended.

Vote Cast: *For*

Results: For: 61.3, Abstain: 0.0, Oppose/Withhold: 38.7,

## RECKITT BENCKISER GROUP PLC AGM - 28-05-2021

### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of the directors remuneration in the single figure table are adequately disclosed. Dividend equivalents are not separately categorised. Future performance conditions and targets for long term incentives are currently not disclosed.

**Balance:** The directors salary is in the median of its peer group. The change in CEO total pay over the last five years is considered acceptable as it is commensurate with the change in TSR over the same period. Variable remuneration paid to all directors in the year under review is considered excessive as it exceeds 200% of salary

for the CEO. The CEO to average employee pay ratio is considered unacceptable at 117:1.

Rating: AC

The remuneration report received significant opposition at the previous meeting, and it is considered that the company has not adequately addressed this. For this reason, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 81.2, Abstain: 1.4, Oppose/Withhold: 17.4,

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

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

Vote Cast: *For*

Results: For: 87.9, Abstain: 0.1, Oppose/Withhold: 12.0,

#### 24. *Authorise the Company to Call General Meeting with Two Weeks' Notice*

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: 87.3, Abstain: 0.1, Oppose/Withhold: 12.7,

### HSBC HOLDINGS PLC AGM - 28-05-2021

#### 16. *Shareholder Proposal: Find an Equitable Solution to the Unfair, Discriminatory but Legal Practice of Enforcing Clawback on Members of the Post 1974 Midland Section Defined Benefit Scheme*

**Proponent's argument:** Shareholders propose to instruct the directors to accept the moral arguments and discuss options to remedy the inequality and the unfair impact of clawback.

Clawback is the practice of cutting an employee's company pension on the grounds that they also receive the state pension. The pension scheme of Midland Bank has a clawback policy, but the employees were not aware of it until it started to materialize when they reach the state pension age. The reduction in pensions reaches up to 25%, causing a loss of up to GBP 2,500, for low-pay employees who have retired, this reduction is seen as a potential loss of income. Beneficiaries of the pension package believe that the calculation of the scheme is unjust as it only takes into account the years of service and not of insurance contributions. The bank incorrectly claim that they cannot change the Midland Section Defined Benefit Scheme (DBS) without changing all the schemes within the Bank's UK pension schemes. Of the 23 sections of the DBS only the Midland Section suffers clawback. An All-Party Parliamentary Group (APPG) has been formed with the aim of challenging HSBC to remove Clawback from its pension scheme. Formalities for completing the relaunch of this APPG were delayed due to the Coronavirus pandemic, but it is now active again and will be giving this campaign increased focus and support in 2021. The bank has previously cancelled all appointments arranged with the Midland Clawback Campaign committee and now refuse to participate in any communication. Whilst technically legal, speeches within Parliament describe the practice of clawback as "... morally offensive because it is unfair". HSBC Clawback is not linked to salary but to State Pension. In practice, this means that if a top manager and a junior staff member work an equal number of years, an identical deduction is made to their company pension. This is an inequality and is hugely disproportionate. Past employment practices now demonstrate that many more women are adversely affected than men, plunging many into financial distress.

**Company's response:** HSBC is of the position that the State Deduction feature was implemented as intended, which was to achieve broad integration of the company pension scheme with the state pension. State Deduction has been fully communicated throughout, which has also been verified by the Trustee of the HSBC Bank (UK) Pension Scheme and the company is concerned that changing State Deduction for the Section may give rise to unequal treatment of others. The integration of state and private sector pension benefits was a common practice at the time and still a common feature as per the company's recent survey results. State Deduction is not considered outdated as it is still a common feature in private sector schemes and reflected in current legislation and survey results. Comparable schemes have maintained integration and not removed it on grounds of it being unfair or inappropriate. The company also argues to be have provided the Midland Campaign Group with details of the correct calculation method and worked examples. The Government Minister for Pensions has maintained support for State Deduction and has been cited in the Parliamentary Briefing Paper and the Equality and Human Rights Commission has confirmed that the use of State Deduction is lawful.

According to HSBC, it is difficult to make direct comparisons to other pension schemes and how they have treated similar features in their scheme, many still have this as part of their benefit design and have not abolished it and a number of companies have capped the amount of deduction that will apply. HSBC has also capped the Scheme at 30 June 2009, as this was when the Scheme became contributory. It is a proportion of the Basic State Pension amount on the earlier of (i) the date the member left pensionable service, or (ii) on 30 June 2015 when the build-up of final salary pensions stopped.

**PIRC analysis:**The policy that the Company applies is legal according to the practices of the pensions scheme in the UK. The valuation for the entire HSBC Bank (UK) Pension Scheme was in surplus of GBP 2.5 billion on an ongoing basis as at 31 December 2020 (as per page 303 of the annual report), including include defined contribution assets amounting to GBP 2.4 billion. However, the claw-back policy applicable to pensions is considered outdated and as a matter of fact, a number of comparable peers like Barclays, NatWest, Lloyds, Clydesdale, the Post Office and the Bank of England have abandoned it. On balance support is recommended.

Vote Cast: *For*

Results: For: 4.5, Abstain: 1.4, Oppose/Withhold: 94.2,

## TOTALENERGIES SE AGM - 28-05-2021

### O.6. *Elect Patrick Pouyanne - 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: 74.5, Abstain: 3.8, Oppose/Withhold: 21.8,

### O.8. *Elect Jacques Aschenbroich - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 89.4, Abstain: 0.2, Oppose/Withhold: 10.4,

### O.13. *Approve Remuneration Policy of Chairman and CEO*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. The Company has disclosed past achievements and quantified future targets. However, there are no claw-back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On balance, abstention is recommended.



Vote Cast: *Abstain*

Results: For: 59.4, Abstain: 1.5, Oppose/Withhold: 39.1,

## COMCAST CORPORATION AGM - 02-06-2021

### 1.1. *Elect Kenneth J. Bacon - 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: *Withhold*

Results: For: 87.3, Abstain: 0.0, Oppose/Withhold: 12.7,

### 1.4. *Elect Edward D. Breen - Lead Independent Director*

Lead Independent Director. Not considered independent owing to an aggregate tenure of over nine years as the director previously served on the board, between June 2005 and November 2011. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is the Chair of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, a withhold vote is recommended.

Vote Cast: *Withhold*

Results: For: 80.3, Abstain: 0.0, Oppose/Withhold: 19.7,

## 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: AEB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.5, Abstain: 0.2, Oppose/Withhold: 12.3,

## 4. *Shareholder Resolution: Report on Risks Posed by the Failing to Prevent Workplace Sexual Harassment*

**Proponent's argument:** Shareholders urge the Board of Directors to conduct an independent investigation into and prepare a report (at reasonable expense, omitting confidential and proprietary information) on risks posed by the Company's failures to prevent workplace sexual harassment. "Comcast and its subsidiaries are under intense public scrutiny for an alleged failure to protect employees from sexual harassment in the workplace, failing to hold those culpable accountable, and for lacking transparency. NBC attracted global attention when it fired "Today" host Matt Lauer for ongoing sexual harassment of employees. [...] Failure to provide a safe workplace extends to Comcast call centers, where employees have described a hostile culture of sexual harassment. In 2018, Comcast fired three call center employees who filed complaints. One filed a complaint at the U.S. Equal Employment Opportunity Commission (EEOC). Fear of retaliation in reporting harassment is of concern. An EEOC study of harassment in the workplace found that 75 percent of employees reporting harassment experienced retaliation and that 87 to 94 percent of harassment victims did not file a formal complaint. Workplace harassment can harm shareholder value. Google committed 310 million dollars to settle a shareholder lawsuit alleging the board mishandled sexual misconduct by executives, notably paying Andy Rubin 90 million dollars after sexual misconduct claims led management to ask for his resignation. The market capitalization of Wynn Resorts dropped 3 billion dollars the two days following harassment allegations against CEO Steve Wynn. 21st Century Fox agreed to a 90 million dollar settlement with shareholders alleging that directors failed to hold accountable senior executives who perpetuated sexual harassment."

**Company's response:** The board recommends a vote against this proposal. "We have an open door policy and culture so employees can report any questions or concerns-whether involving a workplace issue, a concern about suspected illegal or unethical conduct or any other matter-trusting that the company will take their concerns seriously and without fear of retaliation. [...] We encourage and expect those who witness discriminatory, harassing, offensive, abusive, threatening or

retaliatory conduct or other behavior inconsistent with a respectful workplace to speak up. [...]Our legal, human resources and compliance teams design our policies, procedures and practices with a view toward enabling our employees to recognize the importance of behaving respectfully toward each other and encouraging them to come forward if they believe that they have been subject to, or become aware of, inappropriate behavior. We treat allegations with care and have internal investigative teams that handle investigations into any such alleged wrongdoing and the remedies and penalties imposed after due investigation. [...] Senior management and our Board of Directors oversee our efforts to combat harassment and discrimination of all forms. Our Governance and Directors Nominating Committee oversees, monitors and receives reports on workplace harassment and discrimination matters. If there were ever any allegation or investigation into a serious claim of discrimination or harassment involving one of our senior executives whose compensation our Compensation Committee approves, the Governance and Directors Nominating Committee would be informed. Our Board, through its committees, receives regular updates from management about significant other matters involving our company in the normal course, including those relating to workplace issues and receives periodic reports on our Comcast NBCUniversal Listens and Sky Listens programs and employee engagement surveys."

**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: 21.8, Abstain: 0.8, Oppose/Withhold: 77.4,

## ALPHABET INC AGM - 02-06-2021

### 11. *Shareholder Resolution: Amend Certificate of Incorporation to Become a Public Benefit Corporation*

**Proponent's argument:** Shareholders request our Board of Directors take steps necessary to amend our certificate of incorporation and, if necessary, bylaws (including presenting such amendments to the shareholders for approval) to become a public benefit corporation (a PBC), contingent on Class B stockholders converting sufficient Class B shares to Class A or Class C to ensure that at least 60% of the Company's voting power is not beneficially owned or controlled by the holders of Class B Shares. "As a conventional corporation, the duties of Company directors emphasize shareholders, not stakeholders (except to the extent they create value for shareholders). In contrast, PBC directors must "balance" interests of shareholders, stakeholders, and specified benefits,<sup>3</sup> allowing the corporation to protect communities, even when it reduces financial return to shareholders in the long run. This distinction is critical. The Company's capacity to link people around the globe provides potential to contribute to religious persecution,<sup>4</sup> put democracy at risk,<sup>5</sup> and undermine vaccination. Threats to freedom, democratic principles, and public health could be prioritized at a PBC, even if it sacrifices return. These threats matter to the vast majority of our diversified shareholders: as of September 2020, the top five holders of the Company's shares were mutual fund companies with indexed or otherwise broadly diversified portfolios. Diversified shareholders lose when companies harm the economy, because the value of diversified portfolios rises and falls with GDP. While the Company may profit by ignoring costs it inflicts on society, its diversified shareholders ultimately internalize those costs. [...] Shareholders deserve an opportunity to vote on an amendment that will align our governance with shareholder interests and the global community in order to create meaningful accountability."

**Company's response:** The board recommends a vote against this proposal: "our Board of Directors takes a holistic approach in making business and strategic decisions. In today's business environment, the link between corporate conduct and the related impact to stockholder value is ever-increasing. As such, consideration of the effect of corporate actions on various stakeholders, which is permitted by Delaware law, in some cases could be an important factor in the exercise of the Board of Directors' fiduciary duty to make informed decisions. We recognize the way we address broader social challenges may impact a number of aspects of our business, including our financial performance, relationships with our current and potential users and investors, and ability to attract and retain the world's best talent. As such,

we believe conducting business in a socially responsible and sustainable manner is part and parcel of making business decisions that seek to enhance our ability to succeed over the long term. Our current structure in no way hinders our ability to undertake a wide range of impactful short-term and long-term projects and initiatives that could be considered "public benefits" as defined in the Delaware law, and we continually engage in projects and initiatives that may be viewed as "protect[ing] communities."

**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: 1.2, Abstain: 0.3, Oppose/Withhold: 98.6,

### 9. Shareholder Resolution: Report on Charitable Contributions

**Proponent's argument:** shareholders of Alphabet, Inc. request that the Company prepare and annually update a report to shareholders, at reasonable expense and excluding proprietary information, listing and analyzing charitable contributions during the prior year. "The Securities & Exchange Commission has long and consistently stated that charitable contributions by corporations are 'generally found to involve a matter of corporate policy which is extraordinary in nature and beyond a company's ordinary business operations,' and so is amenable, without omission, to shareholder proposals to require reporting about them and about potential or realized risks and controversies arising from them, so long as the proposal relates to the corporation's "charitable contributions generally," rather than merely to some segment of the corporation's charitable contributions. The need for such reporting has grown particularly acute in this shareholder season. Many corporations, including the Company have committed to making significant charitable contributions in recent months. The political and social events which triggered these commitments are potentially highly divisive, and carry with them significant potential for misapplication of well-intentioned contributions to activities fraught with risk to the Company's reputation. It has therefore become more important than ever for corporations, and for Company specifically, to monitor carefully, and to report to shareholders, the content of, intentions for, actual use of and lessons learned from its charitable contributions."

**Company's response:** The board recommends a vote against this proposal. " In March of 2021, Google.org launched the global \$25 million Impact Challenge for Women and Girls to support nonprofits and social organizations around the world that are working to advance the economic empowerment of women and girls and create pathways to prosperity. Impact Challenge grantees will receive funding, mentoring from Googlers, Ad Grants and additional support to bring their ideas to life. Over the last 5 years, Google.org has provided \$55M to nonprofit organizations supporting gender equity and this Impact Challenge builds on this long-standing work. • In 2020, Google.org announced \$100 million to support the global COVID-19 response, focusing on health and science, distance learning, and economic relief and recovery. As a part of this commitment, Google.org gave over \$9 million to the World Health Organization's COVID-19 Solidarity Response Fund (through the UN Foundation) and Center for Disaster Philanthropy to support preparedness, containment, response and recovery efforts. Another \$10 million was dedicated to a distance learning fund focused on organizations like Khan Academy that are helping educators and parents access digital resources needed to provide high quality learning opportunities to children during COVID-19. Additionally, Google provides technology, funding, and volunteers to better prepare communities ahead of natural disasters, ensure effective relief, and support long term recovery. This past year, Google. org gave over \$4 million in response to other crises around the world. • In 2020 Google.org pledged \$12 million to support organizations working to advance racial justice. Among them were \$1 million grants each to the Leadership Conference Education Fund, the NAACP Legal Defense, the Educational Fund's Policing Reform Campaign, and the Center for Policing Equity."

**PIRC analysis:** The transparency and completeness of the company's reporting on charitable spending could be improved. The board's argument makes clear that its compliance with lobbying and other spending disclosure regulations complies only with the minimum requirements: this is considered incomplete and insufficient. Moreover, it is to the benefit of the company and its shareholders to be open about charitable spending 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 (for example by disclosing as charitable contributions some donations that should instead be reported as lobbying or political spending). The request for a report is considered reasonable and a vote for the resolution is recommended.

Vote Cast: For

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

#### 10. Shareholder Resolution: Report on Risks Related to Anticompetitive Practices

**Proponent's argument:** shareholders of Alphabet Inc. ask the board of directors to report to shareholders on how it oversees risks related to anticompetitive practices, including whether the full board or board committee has oversight responsibility, whether and how consideration of such risks is incorporated into board deliberations regarding strategy, and the board's role in Alphabet's public policy activities related to such risks. "Criticism of Google has focused on its use of its monopoly over internet search and its access to user data to eliminate competitors not only in search but also in adjacent areas such as online shopping. A September 2020 survey found that 58% of Americans are not "confident they are getting objective and unbiased search results when using an online platform to shop or search;" 85% are very or somewhat concerned about the amount of data online platforms store about them. The House Judiciary Committee's Antitrust Subcommittee began investigating competition in digital markets in 2019, focusing on Amazon, Apple, Facebook, and Google. The Subcommittee reviewed over a million documents and held seven hearings, including one at which Alphabet CEO Sundar Pichai testified. The Subcommittee's staff report was scathing: It found that companies' control over key distribution channels allows them to eliminate competition and "pick winners and losers throughout our economy," inhibiting innovation and reducing consumer choices. The report found that Google leveraged its search monopoly to "boost Google's own inferior vertical offerings" and concluded that "Google increasingly functions as an ecosystem of interlocking monopolies.[...]Backlash against anticompetitive practices can increase pressure for new regulation. Sixty percent of Americans favor more regulation of online platforms. The European Union is considering adopting new regulations and/or a "new competition tool" to deal with structural competition problems not effectively addressed through current rules."

**Company's response:** The board recommends a vote against this proposal. "Our Board of Directors does not believe that an additional report as detailed in the proposal would enhance our stockholders' understanding of how the company oversees competition risks. In fact, the requested report could be a detriment to both the company's and our stockholders' interests. As disclosed in our filings with the SEC, our company is involved in legal proceedings concerning antitrust and various competition matters both in the United States and in other jurisdictions around the world, and disagrees with a number of the claims and characterizations in those matters and in the supporting statement to this proposal. As a practical matter, most of the information relating to the company's legal strategies and risks in connection with these legal proceedings are privileged and/or confidential. As such, the proposal, if implemented, may interfere with management's and our Board of Directors' ability to adequately and fully respond to and defend against the ongoing investigations and legal proceedings."

**PIRC analysis:** Discussions relating to potential anti-competitive practices derived from concentrated markets, and wider competition-related ESG concerns such as tax avoidance and monopsony power, indicate increased likelihood of regulatory intervention. In the UK, the Competition and Markets Authority (CMA) has indicated concern that the economic impact of the COVID-19 pandemic may contribute to greater market concentration, referred to market concentration as being a concern with platform businesses and, in April 2021, it launched a Digital Markets Unit. The European Union is also exploring greater regulatory intervention in relation to digital businesses, while President Biden has nominated Lina Khan, an advocate of stronger anti-trust enforcement, to the Federal Trade Commission. These developments suggest that pressure for greater political and regulatory intervention will increase. Competition issues are also gaining momentum within Responsible Investment, as some players recognise the need for change: a survey of ESG influencers in the investment industry carried out by think tank Preventable Surprises in 2020 found two thirds agreeing that industry concentration needed tackling even it led to lower profitability. Clearly greater regulatory intervention has the potential to be a financially material issue for investors to consider. While the proposal addresses key issues for the short- and medium-term of the company, the board's response fails to make a case as of why this proposal be counter-productive. Support is recommended.

Vote Cast: For

Results: For: 12.4, Abstain: 0.3, Oppose/Withhold: 87.4,

#### 4. Shareholder Resolution: Equitable Voting Rights

**Proponent's argument:** Shareholders request that our Board take all practicable steps in its control to initiate and adopt a recapitalization plan for all outstanding stock to have one vote per share. We recommend that this be done through a phase-out process in which the board would, within seven years or other timeframe justified

by the board, establish fair and appropriate mechanisms through which disproportionate rights of Class B shareholders could be eliminated. This is not intended to unnecessarily limit our Board's judgment in crafting the requested change in accordance with applicable laws and existing contracts. "In our company's multi-class voting structure, Class B stock has 10 times the voting rights of Class A. As a result, Mr. Page and Mr. Brin currently control over 51% of our company's total voting power, while owning less than 12% of stock – and will continue to do so even though they have stepped down from leading our company. This raises concerns that the interests of public shareholders may be subordinated to those of our co-founders. Due to this voting structure, our company takes public shareholder money but refuses shareholders an equal voice in our company's management. For example, it was primarily the weight of the insiders' 10 votes per share that permitted the creation of a non-voting class of stock (class C) despite the fact that the 'majority of [shareholders] voted to oppose the maneuver.' The New York Times reported that 'only about 12.7 percent of Google's Class A stockholders - other than Mr. Brin, Mr. Page and other Google directors and employees - voted in support of issuing the Class C stock . . . With little regard for the shareholders' opinion, Google continued with the plan.'"

**Company's response:** The board recommends a vote against this proposal. "We believe that our success is owed in large part to the leadership and vision originated by our Co-Founders, Larry and Sergey, and carried on today by Alphabet CEO Sundar Pichai, who wrote in his letter to our stockholders in 2018: "We are fortunate to have a timeless mission, and the way we approach it continues to evolve. Each phase change has been the result of careful, long-term planning that began by placing big bets in areas we believed would pay big dividends for society 5, 10, even 20 years down the road." Through their collective leadership and focus on innovation and long-term growth, we have established a track record of building a strong company and creating stockholder value. We believe that the stability provided by the tri-class voting structure insulates us from short-term pressures and gives us greater ability to focus on long-term interests than might otherwise be the case. The dual class capital structure with two classes of common stock (Class A common stock with one (1) vote per share and Class B common stock with ten (10) votes per share) has been in existence since we became a public company in 2004, and the tri-class structure, with a new class of non-voting capital stock (Class C capital stock), was approved by a majority of the voting power of our outstanding common stock at the 2012 Annual Meeting of Stockholders. Every investor purchasing a share of our Class A common stock and our Class C capital stock is aware of this capital structure, which is disclosed in detail in our public filings with the SEC. Many are attracted to our stock by the long-term stability that Larry and Sergey continue to provide to the company as active Board members, our largest Class B stockholders, and Co-Founders."

**PIRC analysis:** It is considered that the existing class structure treats the majority of shareholders inequitably; the principle of one-share-one-vote is considered to be best practice and voting rights should be allocated equitably. Support is recommended.

Vote Cast: *For*

Results: For: 31.4, Abstain: 0.1, Oppose/Withhold: 68.5,

##### *5. Shareholder Resolution: Require Independent Director Nominee with Human and/or Civil Rights Experience*

**Proponent's argument:** Shareholders request that Alphabet's Nominating and Corporate Governance Committee nominate for the next Board election at least one candidate who: has a high level of human and/or civil rights expertise and experience and is widely recognized as such, as reasonably determined by Alphabet's Board, and will qualify as an independent director within the meaning of the listing standards of the New York Stock Exchange. "Shareholders are concerned Alphabet's content governance has proven ineffectual and poses risk to shareholder value. Alphabet has extraordinary impact on human and civil rights, controlling an estimated 90 percent of the search market. Nearly two billion people use YouTube monthly, with YouTube's recommendation algorithm driving approximately 70 percent of viewing. Civil rights advocates have criticized Alphabet for failing to address hate speech that targets communities of color and marginalized groups. YouTube launched a 100 million dollar fund for black creators, yet the New York Times reports YouTube has been "successfully weaponized by racists...to undermine Black Lives Matter." The company faces a class action lawsuit from black creators alleging Alphabet violated laws intended to prevent racial discrimination. [...]Amnesty International concluded Google's "surveillance-based business model is incompatible with the right to privacy and poses a serious threat to a range of other human rights." An unsealed court document revealed Google is enabling reverse search warrants to disclose everyone who searched a keyword rather than information on known suspects, a practice under challenge for violating civil rights. In 2019, Google was fined a record 170 million dollars by the Federal Trade Commission and New York Attorney General Letitia James over YouTube's violation of children's privacy. Now, a 3 billion dollar United Kingdom lawsuit alleges YouTube has 'systematically broken [privacy] laws by harvesting children's data.'"

**Company's response:** The board recommends a vote against this proposal. "We believe the members of our Board of Directors are qualified and equipped to provide risk oversight of civil and human rights issues. As we describe in more detail in the Director Selection Process and Qualifications section beginning on page 27 of this proxy statement, our Nominating and Corporate Governance Committee uses a variety of methods for identifying and evaluating nominees for directors, balancing the appropriate size and composition of the Board of Directors and its respective committees with the qualifications of candidates in light of these needs. The Nominating and Corporate Governance Committee factors into its determination the following qualities, among others: integrity, professional reputation and strength of character, educational background, knowledge of our business, diversity of professional experience, and ability to represent the best interests of our stockholders. Most of our directors also have experience serving on boards of directors and board committees of other public companies, and have an understanding of corporate governance practices and trends, different business processes, challenges, and strategies. Other directors have experience as presidents or trustees of significant academic, research, and philanthropic institutions, which also brings unique perspectives to our Board of Directors. Further, our directors also have other experience that makes them valuable members, such as entrepreneurial experience and experience developing technology or managing technology companies, which provides insight into strategic and operational issues faced by us."

**PIRC analysis:** The potential benefits of board diversity lie in widening the perspectives on business issues brought to bear on decision-making, avoiding too great a similarity of attitude and helping companies understand their customers, marketplace, supply chain and workforce. There are benefits from a diverse board where experts from different disciplines concur to shape the company's strategy and public image. Disclosure surrounding the board's policy on gender diversity (including selecting, recruiting and retaining) allows shareholders to consider board diversity in the context of the long-term interests of the company. In this sense, it is considered of best interest of the company and its shareholders and stakeholders, that the board includes human/civil rights experts, in order to transform a policy into a target and to reassure shareholders, consumers and stakeholders more broadly that a diverse board is not just an aspiration but a goal.

Vote Cast: *For*

Results: For: 10.3, Abstain: 0.2, Oppose/Withhold: 89.5,

#### *6. Shareholder Resolution: Assess Feasibility of Including Sustainability as a Performance Measure for Senior Executive Compensation*

**Proponent's argument:** Shareholders request the Board Compensation Committee prepare a report assessing the feasibility of integrating sustainability metrics, including metrics regarding diversity among senior executives, into performance measures or vesting conditions that may apply to senior executives under the Company's compensation plans or arrangements. For the purposes of this proposal, "sustainability" is defined as how environmental and social considerations, and related financial impacts, are integrated into long-term corporate strategy, and "diversity" refers to gender, racial, and ethnic diversity. "The tech diversity crisis threatens worker safety, talent retention, product development, and customer service. These human capital risks are playing out at Alphabet: • In 2019, more than 2,000 Google workers "signed a petition to remove a member of the company's newly formed council on artificial intelligence ethics for alleged anti-trans and anti-immigrant views." ("Google loses diversity chief amid unrest over workplace issues," CNET, April 2019). • In December 2020, the former co-leader of Google's "Ethical A.I. team" claimed that she was fired after criticizing shortcomings in Google's approach to inclusive hiring and biases in artificial intelligence systems. Alphabet has taken steps to address inclusion, but risks remain as our Company remains predominantly white and male. According to Google's 2020 diversity report, underrepresented people of color account for only 7.9 percent of Google's tech workforce and only 6.8 percent of leadership. In 2020, CEO Sundar Pichai responded to ongoing structural racism and racist violence, including the murder of George Floyd, by announcing new goals and resources. This includes goals to increase representation of underrepresented groups at senior levels and "more than double the number of Black+ Googlers at all other levels by 2025." However, it is not clear how that strategy is driven by executive accountability. Clearly disclosed, comprehensive links among sustainability, diversity, and executive compensation would help deliver change and improve human capital management. Peers such as Microsoft, Intel, and IBM have already begun linking parts of compensation to diversity goals."

**Company's response:** The Board of Directors recommends a vote against this proposal. "We are committed to scaling diversity, equity, and inclusion, increasing transparency of data on workforce representation, and taking a more systemic approach to improve outcomes in workforce representation and to create an inclusive culture. We are focused on measurable goals, talent development, and building an inclusive culture because we believe only a holistic approach to diversity will produce meaningful, sustainable change. We report attrition data externally and we are using this data to help inform how we approach our diversity and inclusion efforts. Over the last year we have seen progress in a number of areas. Since 2018, we continued to increase representation for women globally, and for Black+ and Latinx+

employees in the U.S. We saw the largest increase in our hiring of Black+ technical employees that we have ever measured. Additionally, in 2020 we announced our Racial Equity Commitments, which are focused on building sustainable equity for Google's Black community and making our products and programs helpful in the moments that matter most to Black users. [...] Further, in assessing the individual performance of our named executive officers, their performance against these types of strategic goals are considered by the Leadership Development and Compensation Committee."

**PIRC analysis:** The incorporation of sustainability, and, in particular, diversity metrics (the clear aim of the proposal) into the performance measures of senior executives is considered best practice and its practice is spreading annually. A redesign of performance management in this way will help the company incentivise its executives to improve performance on diversity and inclusion and mitigate legal, regulatory and reputational risk in this area, which can be detrimental to company financial performance. Support for the proposal is recommended.

Vote Cast: *For*

Results: For: 12.2, Abstain: 0.2, Oppose/Withhold: 87.6,

### 7. Shareholder Resolution: Report on Takedown Requests

**Proponent's argument:**shareholders request the Board of Directors issue a report (within a reasonable time frame, at reasonable cost, and excluding confidential information) assessing the feasibility of publicly disclosing on an annual basis, by jurisdiction, the list of delisted, censored, downgraded, proactively penalized, or blacklisted terms, queries or sites that the company implements in response to government requests. "There is increasing evidence of a contradiction between Google's principles and its actions. BuzzFeed reported: "According to Google's own stats, the Russian government has made 175 separate requests for the search engine to remove sites it has banned, totaling more than 160,000 separate URLs...About 80% of the total requests...resulted in removal." PEN America said: "we need far more transparency regarding which sites Google has removed from its search results, as well as the internal evaluation and criteria that Google used for determining whether these sites should be taken down." ARTICLE 19 submitted expert opinion to Russia's Constitutional Court regarding the removal of articles on hate crimes from Google search, saying: "search engine operators are prohibited by the Law from disclosing any information pertaining to the applicant's request...this constitutes a disproportionate restriction on the right to freedom of expression. . . and a breach of their rights to a fair trial and to an effective remedy." In addition, reports of proposed amendments to India's Information Technology Act indicate that it may soon be mandatory for firms like Alphabet to proactively deploy technology to suppress content. Google states its Transparency Reports 'provide a glimpse at the wide range of content removal requests that we receive, but they are not comprehensive.' "

**Company's response:** The board recommends a vote against this proposal. "In 2010, we launched the Google Transparency Report with the mission of sharing data that sheds light on how the policies and actions of governments and corporations affect privacy, security, and access to information. Under the "Government requests to remove content" section of the report, we voluntarily disclose the number of requests we receive from courts and government agencies in six-month periods. Further, we organize the requests and items by reason given for removal request, type of Google product, and whether the requesting government body was a member of the judicial or executive branch. We also provide this information on a country/regional basis. [...]Additionally, we provide transparency about removals via Lumen, a project of Harvard University's Berkman Center for Internet & Society. Lumen works with a variety of international research partners to offer information about the global landscape of Internet takedown requests. Lumen posts and analyzes different kinds of requests to remove material from the Internet, including requests based on copyright claims. Lumen receives these requests from participating companies as well as from individuals. When we are able to do so legally, Google links from our search results to the requests published by Lumen in place of removed content. [...]We are committed to tackling the challenge of quickly removing content that violates our Community Guidelines and reporting on our progress. That is why in April 2018 we launched a quarterly YouTube Community Guidelines Enforcement Report [...]. As part of this ongoing commitment to transparency, we expanded the report to include additional data like channel removals, the number of comments removed, the policy reason why a video or channel was removed – and most recently, appeals data. Each quarter we may see these numbers fluctuate, especially when our teams tighten our policies or enforcement on a certain category to remove more content.

**PIRC analysis:** A report on the websites that have been de-listed or banned as a result of a request from local authorities is considered to be in shareholders' best interest as a means of ensuring that the management and board of a company gives due consideration to these issues, including geographical representation of the requests, and can perform a deeper, year-on-year analysis of privacy and security issues globally. In any case, it is likely the Company has most of the data requested already available. Support for the vote is recommended.

Vote Cast: *For*

Results: For: 13.3, Abstain: 0.3, Oppose/Withhold: 86.4,

#### 8. *Shareholder Resolution: Report on Whistleblower Policies and Practices*

**Proponent's argument:** Shareholders of Alphabet, Inc. urge the Board of Directors to oversee a third-party review analyzing the effectiveness of its whistleblower policies in protecting human rights. A report on the review, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Alphabet's website. "Whistleblower protections are vital to a well-functioning system. The Department of Labor has reported a major problem with whistleblower protections is the "lack of resources and proper tracking of complaints." According to the Organisation for Economic Co-operation and Development, "A non-retaliation policy alone, without a system to ensure its respect (such as disciplinary action against those who retaliate), is unlikely to encourage reporting." For years, Alphabet has faced controversies about retaliating against workers. In December 2020, the National Labor Relations Board (NLRB) alleged Google illegally fired and surveilled employees involved in labor organizing, alleging "interfering with, restraining, and coercing employees in the exercise of their rights." [Lastly] in December 2020, Google fired the prominent co-lead of its Ethical Artificial Intelligence team, Dr. Timnit Gebru, who was researching the risks of technology, including Google's. The firing prompted media attention, social media backlash, and an open letter signed by thousands of employees stating the firing "heralds danger for people working for ethical and just AI - especially Black people and People of Colour - across Google.[...] Reporting suggests that many Google employees who have resigned or been fired, including executives, publicly report retaliation after voicing human rights implications of company practices, including systemic workplace racism and sexism, and projects enabling censorship, surveillance, and war. "I'm proud of what I did, and I believe everyone has a right to know what their work is being used for," said an employee who resigned after protesting Google's contract with Customs and Border Protection. These red flags suggest the potential for culture, ethics, and/or human rights problems internally."

**Company's response:** The board recommends a vote against this proposal. "We [...] protect whistleblowers by thoroughly investigating allegations of retaliation and imposing discipline when we substantiate retaliation allegations. And for the past six years, we have shared with our employees, on an annual basis, an Internal Investigations Report, which provides transparency into the type of concerns employees have raised, the number of concerns employees have raised, and how the company has resolved those concerns. While we disagree with a number of the claims and characterizations in this proposal, beginning in September 2020, we have committed to updating our workplace policies and practices, including: • Continuing to enhance investigations processes, including how we escalate concerns, how quickly we respond, how we reopen cases, and more • Offering four follow-up meetings over two years to complainants involved in harassment, discrimination, or retaliation investigations following an investigation • Continuing to analyze investigations data to ensure that lessons learned are captured and relied upon to further improve our policies, training and investigation outcomes • Providing information about how sexual harassment and other allegations are investigated through the annual Internal Investigations Report and Investigations Practice Guide • Continuing to allow those who settle claims of sexual harassment and related retaliation to disclose the facts and circumstances underlying such claims • Reporting to our Board of Directors on effectiveness of the company's sexual harassment and retaliation compliance programs and proposed changes The ability to raise concerns helps protect and preserve the company's special culture and is key to our long-term success."

**PIRC analysis:** The absence of a whistle-blowing system or hotline at the company increases the risk for potential corporate malpractice being disclosed publicly instead of being solved internally. On the other hand, there have been reported cases of companies using the whistle-blowing hotline to track down dissenting employees and fire them. It is in the company's and shareholders' best interests to have a report prepared, which could clearly follow up on the adoption of whistle-blowing policies and practices, as opposed to a simple company's statement without due diligence that could show the actual exposure to legal and reputational risks.

Vote Cast: *For*

Results: For: 10.3, Abstain: 0.3, Oppose/Withhold: 89.4,

#### 1.6. *Elect L. John Doerr - 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: 79.7, Abstain: 0.1, Oppose/Withhold: 20.1,

**1.8. *Elect Ann Mather - 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: 78.5, Abstain: 0.1, Oppose/Withhold: 21.4,

**1.10. *Elect K. Ram Shriram - Non-Executive Director***

Non-Executive Director. Not considered independent owing to a tenure of more than nine years. In addition, Mr. Shriram is a Trustee of Stanford University, to which the Company paid \$5.7 million in 2015 for scholarships, research and consulting services. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 88.3, Abstain: 0.1, Oppose/Withhold: 11.6,

**1.11. *Elect Robin L. Washington - 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: 88.8, Abstain: 0.1, Oppose/Withhold: 11.0,

**3. *Approve New Omnibus Plan***

The Plan is presented as an omnibus plan, which means that bundled within the same official plan there are various incentive plan elements aimed at rewarding different groups of employees, officers and executives. However, it is noted that the Compensation Committee retains the power to select employees to receive awards and determine the terms and conditions of awards (and also note that 'management employees' appear most likely to be the principal beneficiaries of the Plan). On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 83.8, Abstain: 0.1, Oppose/Withhold: 16.1,

**INFORMA PLC AGM - 03-06-2021**

**3. *Elect Stephen Davidson - 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: 53.4, Abstain: 0.0, Oppose/Withhold: 46.6,

**5. *Elect Mary McDowell - Non-Executive Director***

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 80.0, Abstain: 0.0, Oppose/Withhold: 19.9,

### *7. Elect Helen Owers - Designated Non-Executive*

Designated non-executive director 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.

Vote Cast: *For*

Results: For: 78.1, Abstain: 0.0, Oppose/Withhold: 21.9,

### *11. Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed.

**Balance:** CEO salary has been deferred for the year under review. CEO salary is in the median of the competitors group. The CEO's total realized variable pay is considered acceptable at approximately 57% of salary (STIP: Nil, LTIP: 57% of salary). Ratio of CEO to average employee pay has been estimated and is found acceptable at 16:1. It is recommended the CEO pay ratio to be at 20:1. Changes in CEO total pay are considered in line with company financial performance over the same period. Over the five-year period average annual increase in CEO pay has been approximately 3.57% whereas, on average, TSR has increased by 5.42%  
Rating: AB

Vote Cast: *For*

Results: For: 37.9, Abstain: 0.9, Oppose/Withhold: 61.2,

### *15. 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: 89.4, Abstain: 0.0, Oppose/Withhold: 10.6,

### *19. Authorise the Company to Call General Meeting with Two Weeks' Notice*

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: 88.1, Abstain: 0.0, Oppose/Withhold: 11.9,

## **UNITEDHEALTH GROUP INCORPORATED AGM - 07-06-2021**

### *1.h. Elect Gail R. Wilensky - 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. Additionally, 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 oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 87.0, Abstain: 0.1, Oppose/Withhold: 12.9,

## 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: ACD. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 72.6, Abstain: 0.2, Oppose/Withhold: 27.3,

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

**Proponent's argument:** Shareholders 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 shareholder meeting. The Board of Directors would continue to have its existing power to call a special meeting. "A special shareholder meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director. For instance Mr. Richard Burke, UNH Lead Director, received the most negative director votes in 2020. Mr. Burke, at age 77, has 44-years of tenure on the UNH board. Mr. Burke has no other public directorships to help keep his skills up-to-date. A highlight of Mr. Burke's career was his ownership of a National Hockey League team. Since the 2020 UnitedHealth Group annual meeting there has been a dramatic development that makes shareholder meetings so much easier for management with a substantial cost reduction. Special shareholder meeting can now be online shareholder meetings which make it easier for management to diminish the role of shareholders. In fact the UNH bylaws even specify, 'The Board of Directors may designate that the special meeting is to be held solely by remote communication.' Management entrenchment is so well defended at online shareholder meetings that shareholders should have a corresponding greater flexibility in calling for a special shareholder meeting. At an online shareholder meeting almost everything is optional. For instance a management narrative on the state of the company is optional. Also management answers to shareholder questions are optional even if management asks for questions."

**Company's response:** The Board of Directors recommends a vote against the proposal. "Based on this evaluation and recent shareholder engagement, the Board decided to lower the number of shares required to be held by shareholders to call a special meeting to 15% of the outstanding stock entitled to vote on the matter from 25% and amended our Bylaws to reflect this lowered threshold on February 23, 2021. The calling of a special meeting should not be an ordinary process. Special meetings are expensive and disruptive because the Board and management must divert time and resources away from overseeing and running the business in order to adequately prepare for such a meeting. Special meetings should be limited to circumstances where a reasonable number of shareholders believe a matter is sufficiently urgent or extraordinary that it must be addressed between annual meetings. Accordingly, our Board believes the share ownership threshold to call special meetings must strike a balance between empowering shareholders' ability to call a special meeting in appropriate circumstances and mitigating the risk that shareholders with special interests could call special meetings to promote agenda items relevant to particular constituencies and not generally in the best interests of all shareholders. After careful evaluation, assessment of practices of peer companies, and evaluation of our shareholders' views, we believe that a 15% threshold strikes the necessary balance."

**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: 39.6, Abstain: 0.2, Oppose/Withhold: 60.2,

## THE TJX COMPANIES INC. AGM - 08-06-2021

### 4. *Shareholder Resolution: Animal Welfare*

**Proponent's argument:** Shareholders request that the Board of Directors commission an independent analysis of any material risks of continuing operations without a company-wide animal welfare policy or restrictions on animal-sourced products associated with animal cruelty. Such report should assess the operational, reputational and financial implications of the company's vendor policies pertaining to oversight on animal welfare throughout the supply chain, and to report to shareholders no later than September 2021.

" TJX Chief Executive Officer and President has stated, '... being mindful of our impact on the environment, and operating our business ethically, we address the interests of our stakeholders – specifically, our Associates, customers, communities, vendors, and shareholders. We believe it's important that they know we share their values', however, there is a lack of congruency between the Company's 'values' and the absence of any consistent animal welfare policy at TJX. [...] while TJX has issued public statements and ensuring that 'Company values' and 'ethics' are enforced throughout our supply chain, including listing their 'Fur Practices' on their website, animal welfare is completely absent from governance documents. The internal capacity already developed by ethical sourcing in the supply chain could be leveraged to broaden the scope of due diligence to avoid animal cruelty; [...] in 2020, TJX's announced their retail stores, globally, are fur-free. However, TJX stores continue to sell products made with animal-sourced materials (e.g., wool, cashmere and angora) that can be associated with cruelty. Ultimately, when animals are part of the supply chain, in the absence of consistent anti- cruelty policies of our company, they will continue to be at risk of exploitation and suffering. As a follow up to its long overdue fur ban, we urge TJX to be consistent across all its brands with a comprehensive animal welfare policy."

**Company's response:** The board recommends a vote against the proposal. "In 2020, TJX's entire global business became fur-free. Across all of our banners and regions, we do not knowingly purchase or sell products that contain real fur. In Europe and Australia, we do not knowingly source goods containing angora. Across all of our geographies, we offer products from time to time that contain shearling, hair calf, or hide. Because the process for procuring merchandise for our off-price model is complex, if an item containing fur is mistakenly sold to us or sent to our stores or e-commerce sites, we work quickly to remove the item. Prior to our entire global business becoming fur free, a substantially similar shareholder proposal received less than 8% support from our shareholders in 2020. We believe this reflects support for our approach to managing risk related to animal welfare. [...]To advance the objectives of TJX's Global Social Compliance Program, the Company regularly conducts education and compliance trainings with buying agents, vendors, and factory management who are involved with products that we have helped design or develop to be manufactured just for us. This has expressly included training regarding our practices on the sale of fur, and we are currently updating our training materials to reflect that our entire global business is now fur-free. In recent years, we have conducted training sessions in China, India, Indonesia, Korea, Mexico, the Philippines, Taiwan, Thailand, Turkey, the United States, and Vietnam. In addition, TJX Associates involved in the development and buying of merchandise are expected to undergo formal social compliance training biennially. This training also addresses our practices on the sale of fur."

**PIRC analysis:** While it is clear that the company has adopted supply chain standards so that may only work with suppliers who share the company's values, and requires all vendors to comply with local laws relating to animal welfare, this is not the same as adopting a vendor policy on the safe, humane and ethical treatment of animals in its supply chain. Since the company agrees that such a policy is the proper approach, it is difficult to understand why the company opposes the shareholder request for a report, which is not considered overly burdensome. to the company. Support is recommended.

Vote Cast: *For*

Results: For: 9.1, Abstain: 1.3, Oppose/Withhold: 89.6,

### 5. *Shareholder Resolution: Report on Pay Disparity*

**Proponent's argument:** Shareholders of The TJX Companies, Inc. request that the Executive Compensation Committee of the Board of Directors take into consideration the pay grades and/or salary ranges of all classifications of Company employees when setting target amounts for Chief Executive Officer compensation. Compliance with this policy is excused if it will result in the violation of any existing contractual obligation or the terms of any existing compensation plan. "This proposal is not a request for new disclosures. Rather, it is a suggested improvement and enhancement to the Committee's process for setting target amounts for the CEO's compensation. Under this proposal, how the Committee would consider employee compensation is within its discretion. The Committee also retains authority to use

peer group data or any other relevant information when setting CEO pay targets. Like at many companies, the Committee has used peer group benchmarks of what other companies pay their CEOs to set its target CEO pay. To ensure that the Company's CEO compensation is reasonable relative to the Company's overall employee pay philosophy and structure, we believe that the Committee should also consider the pay grades and/or salary ranges of all Company employees when setting CEO compensation target amounts. Over time, using peer group benchmarks as the primary measure to set CEO compensation targets can lead to pay inflation. Although many companies target CEO compensation at the median of their peer group, certain companies have targeted their CEO's pay above median. In addition, peer groups can be cherry-picked to include larger or more successful companies where CEO compensation is higher. [...] According to one study, labor productivity as measured by sales per employee was lower for companies with higher pay ratios. [...] Another study found high pay ratios can negatively affect consumer purchases. (Mohan et al., "Consumers Avoid Buying From Firms With Higher CEO-to-Worker Pay Ratios," Journal of Consumer Psychology, April 2018). High pay disparities between CEOs and other senior executives can undermine collaboration and teamwork. High levels of CEO pay can also negatively affect the morale and productivity of non-senior executive employees."

**Company's response:** The board recommends a vote against the proposal. "Our ECC considers executive compensation matters in the context of the Company's business, industry, and broader global organization, as well as TJX's global total rewards principles. The ECC seeks to design an executive compensation program that supports our core compensation objectives discussed above in the Compensation Discussion and Analysis (CD&A). Having a highly engaged senior leadership team with the ability to successfully execute our business in dynamic retail environments has been critical to our strong performance over many years. This proxy statement, including the above CD&A, provides extensive information to shareholders about the process followed by the ECC in making executive compensation decisions and the compensation paid to the Company's executive officers, including the Chief Executive Officer, and describes the numerous quantitative and qualitative factors that are taken into account by the ECC in determining the overall level of executive compensation and establishing the design and mix of its specific elements. The well-being of our Associates during the COVID-19 pandemic was a key consideration for the ECC in making compensation decisions for FY21. [...] The ECC reviews the ratio between the total compensation of the Company's median employee and the total compensation of the Chief Executive Officer, as reported in the proxy statement; and the ECC conducts an annual compensation risk assessment which covers overall compensation policies and practices for all Associates to determine if they create risks that are reasonably likely to have a material adverse effect on the Company."

**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: 10.7, Abstain: 0.6, Oppose/Withhold: 88.8,

## **FREEMPORT-MCMORAN INC. AGM - 08-06-2021**

### *1.4. Elect Lydia H. Kennard - 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.

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

Vote Cast: *Oppose*

Results: For: 87.9, Abstain: 0.1, Oppose/Withhold: 12.0,

#### 1.5. *Elect Dustan E. McCoy - Senior Independent Director*

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

Vote Cast: *Oppose*

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

### CATERPILLAR INC. AGM - 09-06-2021

#### 5. *Shareholder Resolution: Report on Diversity and Inclusion Efforts*

**Proponent's argument:** Shareholders request that Caterpillar Inc. publish annually a report, at reasonable expense and excluding proprietary information, assessing the Company's diversity and inclusion efforts. "Numerous studies have pointed to the corporate benefits of a diverse workforce. These include: Companies with the strongest racial and ethnic diversity are 35 percent more likely to have financial returns above the industry medians. Companies in the top quartile for gender diversity are 21 percent more likely to outperform on profitability and 27 percent more likely to have superior value creation. A 2019 study of the S&P 500 by the Wall Street Journal found that the 20 most diverse companies had an average annual five year stock return that was 5.8 percent higher than the 20 least-diverse companies. Despite such benefits, significant barriers exist for diverse employees advancing within their careers. Women enter the workforce in almost equal numbers as men (48 percent). However, they only comprise 22 percent of the executive suite. Similarly, people of color comprise 33 percent of entry level positions, but only 13 percent of the c-suite. On its website, Caterpillar states: "At Caterpillar, we believe each person is unique and valued, and are committed to ensuring that our workplace is diverse and representative of the many customers we serve around the globe. Different perspectives help us achieve our best work and come together to form a high-performing Caterpillar team that makes positive changes in the communities where we live and work. That's the Power of Everyone.(4) Despite this statement, Caterpillar has not released meaningful information that allows investors to determine the effectiveness of its human capital management programs related to workplace diversity. Stakeholders may become concerned that Caterpillar's statements are corporate puffery, language described by the United States Federal Trade Commission as marketing exaggerations intended to "puff up" companies or products and not able to be relied upon by consumers and investors."

**Company's response:** The board recommends a vote against this proposal. "We recently published a new diversity and inclusion report available on the Diversity & Inclusion page of our website, which provides extensive data and insights about the diverse composition of our organization, illustrating in detail our ongoing commitment to diversity and inclusion. This report also contains a link to the Company's EEO-1 report. Caterpillar believes this additional data provides extensive, transparent and relevant disclosure. The Board does not believe the adoption of this proposal would enhance the Company's existing commitment to diversity and inclusion. The diversity disclosure we currently provide, including our new diversity and inclusion report that will be published on an annual basis, is an accurate and transparent picture of our diversity and inclusion commitment. Preparation and publication of an additional report as requested by this proposal will devote resources away from our continued diversity and inclusion efforts without providing any meaningful additional information. We continue to believe diversity and inclusion is integral to our success and we will continue to provide extensive and transparent reporting that illustrates our steadfast commitment to diversity and inclusion.

**PIRC analysis:** The requested report will provide shareholders with information on the Company's efforts in relation to workforce diversity. While the Company's response describes the diversity initiatives it is involved in, no goals for diversity and inclusion and no data on the gender make-up of the workforce is provided on the company's website or sustainability report. A report on the gender make-up of the Company's workforce and more detail on the policies and programmes for fostering diversity of employees would enable investors to assess the Company's exposure to reputational and human resource risk surrounding the issue of gender diversity. The request for a report is considered reasonable and a vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 33.5, Abstain: 1.2, Oppose/Withhold: 65.3,

#### *6. Shareholder Resolution: Amend Certificate of Incorporate to become Public Benefit Corporation*

**Proponent's argument:** Shareholders request that the Board of Directors take steps necessary to amend the certificate of incorporation and, if necessary, bylaws (including presenting such amendments to the shareholders for approval) to become a public benefit corporation (a PBC) in light of its adoption of the Business Roundtable Statement on the Purpose of a Corporation. "As one Delaware law firm reported to another signatory considering conversion, directors may consider stakeholder interests only if "any decisions made with respect to such stakeholders are in the best interests of the corporation and its stockholders." In contrast, directors of a PBC must "balance" the interests of shareholders, stakeholders and a specified benefit, giving legal status to the Statement's empty promise. 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. A company required to balance stakeholder interests could prioritize lowering these costs, even if doing so sacrificed higher return. This distinction matters to our shareholders, the vast majority of whom are diversified. Indeed, as of the 2020 proxy statement, the top three holders of our shares were mutual fund companies Vanguard, State Street, and BlackRock, which are generally indexed or otherwise broadly diversified. Such shareholders and beneficial owners suffer when corporations follow the "shareholder primacy" model and impose costs on the economy lower GDP, which reduces overall equity value. While the Company may profit by ignoring costs it externalizes, diversified shareholders will ultimately pay these costs. As a PBC, the Company could prioritize reducing these costs."

**Company's response:** The board recommends a vote against this proposal. "Caterpillar believes that focusing on the needs of all of its stakeholders is essential to achieving our strategy and driving long term profitable growth, which is in the best interests of shareholders. Caterpillar is proud to have endorsed the Statement on Purpose of Corporation issued by the Business Roundtable in August 2019 (the "Statement"). The Statement's expressed commitment to benefit all stakeholders of a company, including, shareholders, employees, customers, communities and suppliers is wholly consistent with our Values in Action, our current governance structure and our obligations under Delaware General Corporation Law to maximize shareholder value. Our ability to drive long term profitable growth, thereby maximizing shareholder value, is dependent on how well we serve our clients, manage our employees and support our broader stakeholders, including the communities in which we live and work. Because our current corporate structure and its accompanying legal obligations already achieves best outcomes for all stakeholders, this proposal is unnecessary. [...] To date, there have only been a handful of conversions by existing publicly traded U.S. companies and only several U.S. corporations have undergone an initial public offering as a public benefit corporation. As such, there is minimal precedent regarding the governance implications of such a transition. Delaware case law does not provide guidance as to the obligations of Boards of Directors of public benefit corporations with respect to balancing the interests of many different stakeholders. Therefore, significant uncertainty exists regarding decision-making processes by the Board of Directors and management of a public benefit corporation in the event that the interests of shareholders and other stakeholders diverge. Under our current form, the Board of Directors is required to act in the best interests of shareholders if the interests of shareholders and any other group of stakeholders diverge. Due to this uncertainty, the short-term or long-term impact of such a transition, including the impact on our stock price, or the costs associated with such a transition cannot be predicted."

**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: 2.9, Abstain: 1.1, Oppose/Withhold: 96.0,

#### *7. Shareholder Resolution: Written Consent*

**Proponent's argument:** Shareholders request that the board of directors take such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. "The 2020 management text next to this proposal topic has been completely blown out of the water by the onslaught of tightly controlled online shareholder meetings. CAT management touted "important deliberative process of a shareholder meeting" in place of written consent and said, "All shareholders should have an opportunity to debate actions." With the near universal use of online

annual shareholder meetings, which can last only 10-minutes, shareholders no longer have any opportunity to "debate." Special shareholder meetings can now be online meetings which has an inferior format to even a Zoom meeting. Shareholders are severely restricted in making their views known at online shareholder meetings because all constructive questions and comments can be screened out. [...] Now more than ever shareholders need to have the option to take action outside of the shareholder meeting and send a wake-up call to management, if need be, since tightly controlled online shareholder meetings are a shareholder engagement and management transparency wasteland."

**Company's response:** The board recommends a vote against this proposal. "The Board values the opinions of its shareholders and believes that all shareholders should have the opportunity to deliberate and vote on pending shareholder actions. Therefore, shareholders should generally act only in the context of an annual or special meeting. To that end, the Company allows shareholders of 25 percent or more, in the aggregate, of Caterpillar's shares to call a special shareholder meeting. This practice allows important matters to be brought before all shareholders for consideration, while providing the Board with an adequate opportunity to examine any proposed action and provide a carefully considered recommendation to shareholders. In addition, the Company has afforded shareholders numerous ways to contact members of the Board and share thoughts, opinions and concerns about the Company."

**PIRC analysis:** There are emergency situations where convening a special meeting might take too long or be too difficult, and written consents may be gathered more quickly. Since the company has weak or no special meeting rights, written consent rights are very important. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 40.0, Abstain: 0.6, Oppose/Withhold: 59.4,

#### *4. Shareholder Resolution: Report on Climate Policy*

**Proponent's argument:** Shareholders request that the Board of Directors issues a report, at reasonable expense and excluding confidential information, disclosing the Company's climate policies, performance, and improvement targets, if any, responsive to each of the indicators set forth in the Net Zero Benchmark, or any rationale for failure to adopt such metrics. "In response to material climate risk, the steering committee of the Climate Action 100+ initiative (CA100+), a coalition of more than 500 investors with \$52 trillion in assets, issued a Net Zero Company Benchmark (Net Zero Benchmark) calling on carbon emitting companies, including our company, to work toward reducing greenhouse gas (GHG) emissions to net zero, improving climate governance, and providing specific climate related financial disclosures. The Net Zero Benchmark includes ten indicators of company alignment with the Paris Agreement including a statement of ambition to achieve net zero greenhouse gas emissions ("Net Zero") by 2050 for the Company's Scope 1,2, and applicable scope 3 emissions in alignment with the Paris 1.5 degree goal. Caterpillar's climate related targets were set through the current year of 2020 and only address the companies Scope 1 and 2 emissions. This leaves significant emissions unaddressed and the company's long term decarbonization ambition unclear. In contrast, 15 peers in the construction materials sector have set, or committed to validate, their GHG targets through the Science-Based Targets initiative."

**Company's response:** The board recommends a vote against this proposal. "Caterpillar shares the concerns of governments and the public about the risks of climate change. We are a global company committed to living our Values in Action and serving our customers to build a better world. Sustainability is one of our five Values in Action, which are the foundation of who we are and what we do every day. We have demonstrated our commitment to set ambitious environmental, social and governance (ESG) goals, measure and report progress and help customers achieve their climate objectives. We announced our first set of goals in 2006, and in 2013, refined the long-term goals with new targets, including greenhouse gas emission reduction goals that concluded in 2020. We continue working on ESG objectives – including climate –and will publish new goals to enhance our performance and impact beyond 2020. We will continue to be transparent about our goals and progress, as reflected in our comprehensive Sustainability Report. [...] We have made significant progress reducing greenhouse gas emissions from our operations through 2019, including: (1) reducing greenhouse gas emissions intensity more than 50% from 2006; and (2) using alternative and renewable sources for more than 35% of electrical energy needs. We are investing in new products, technologies and services to help customers achieve their climate-related objectives. Our product portfolio currently includes battery powered switch locomotives, reciprocating engines that burn landfill and other biogases and gas turbines that operate on hydrogen. We have supplied gas turbines that allow customers in China to burn coke oven gas to produce electricity instead of releasing this gas into the atmosphere. We have also provided reciprocating engines and gas turbines that allow our oil and gas customers to reduce or eliminate flaring of natural gas. We are working to develop a variety of alternative power solutions to support a lower carbon future, including battery powered construction machines."



**PIRC analysis:** It is considered that shareholders should decide annually on an advisory basis on the company's report on its climate strategy. Companies should report consistently with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). 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, reporting on the policies and practice to meet the criteria of the Net Zero Indicator 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, would also be considered considered to be in the long-term interests of shareholders. Support is recommended.

Vote Cast: *For*

Results: For: 47.4, Abstain: 1.2, Oppose/Withhold: 51.4,

#### 1.10. *Elect Miles D. White - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 83.3, Abstain: 0.3, Oppose/Withhold: 16.4,

### DOLLAR TREE INC AGM - 10-06-2021

#### 1.d. *Elect Lemuel E. Lewis - 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: 89.9, Abstain: 0.0, Oppose/Withhold: 10.1,

#### 1.j. *Elect Thomas E. Whiddon - 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: 88.8, Abstain: 0.0, Oppose/Withhold: 11.1,

### WM MORRISON SUPERMARKETS PLC AGM - 10-06-2021

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

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. It is noted that the remuneration committee offered Mr. David Potts an increase in line with the inflation, which Mr Potts has waived for the sixth consecutive year, and therefore his salary remains unchanged at GBP 850,000. The CEO's salary is considered as being in the median range of a peer comparator group

**Balance:**The CEO's total realized variable pay is considered excessive at 364.2% of salary (Annual Bonus: 200% of salary, LTIP: 164.2% of salary). Ratio of CEO to average employee pay has been estimated and is found unacceptable at 163:1. Changes in CEO total pay are not considered in line with company financial performance over the same period. Over the five-year period average annual increase in CEO pay has been approximately 25.49% whereas, on average, TSR has

increased by 6.65%

Rating: AD

*Vote Cast: Oppose*

*Results: For: 25.9, Abstain: 13.4, Oppose/Withhold: 60.7,*

#### *4. Re-elect Andrew Higginson - Chair (Non Executive)*

Chair. Independent upon appointment. In addition, Mr. Higginson is Chair of the Nomination Committee.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. At this time, diversity on the board is below the above-mentioned level; nevertheless, the company has stated it as target by the 2022 Annual General Meeting, which is considered acceptable. It is noted that Mr. Higginson on the 2020 AGM received significant opposition on his re-election of 12.68% of the votes, and the company did not disclose information's how it address the issue with its shareholders. On balance abstention is recommended.

*Vote Cast: Abstain*

*Results: For: 81.0, Abstain: 4.1, Oppose/Withhold: 14.9,*

#### *10. Re-elect Kevin Havelock - 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: 75.3, Abstain: 11.7, Oppose/Withhold: 13.0,*

#### *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: 78.8, Abstain: 0.0, Oppose/Withhold: 21.2,*

#### *17. 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: 81.0, Abstain: 0.0, Oppose/Withhold: 19.0,*

### **INVESCO PERPETUAL UK SMALLER COMPANIES AGM - 10-06-2021**

#### *6. Re-elect Bridget Guerin - Senior Independent Director*

Newly appointed Senior Independent Director. Not considered independent as Ms. Guerin was Non-Executive Director in the Board of Charles Stanley, a significant shareholder of the company. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the

Board. In addition, there are concerns over potential aggregate time commitments, however, Ms. Guerin has attended all Board and committee meetings during the year under review. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 76.6, Abstain: 0.1, Oppose/Withhold: 23.4,

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

EY proposed. Non-audit fees represented 18.52% of audit fees during the year under review and 6.02% 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: 76.2, Abstain: 0.1, Oppose/Withhold: 23.6,

### **SALESFORCE.COM INC AGM - 10-06-2021**

#### *5. Shareholder Resolution: Amend Certificate of Incorporation to Become a Public Benefit Corporation*

**Proponent's argument:** Shareholders request the Board of Directors take steps necessary to amend the certificate of incorporation and, if necessary, bylaws (including presenting such amendments to the shareholders for approval) to become a public benefit corporation (a PBC) in light of its adoption of the Business Roundtable Statement of the Purpose of a Corporation." As one Delaware law firm reported to another signatory considering conversion, directors may consider stakeholder interests only if 'any decisions made with respect to such stakeholders are in the best interests of the corporation and its stockholders.' That contradicts the commitment made in the Statement, as well the intention of management to run our Company for a purpose beyond maximizing financial returns. Consistent with the business philosophy of our founder, directors of a PBC 'balance' the interests of shareholders, stakeholders and a specified benefit, giving legal status to the Statement's empty promise. This matters. 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. A company required to balance stakeholder interests could prioritize lowering these costs, even if doing so sacrificed higher return. That matters to our shareholders, the majority of whom are beneficial owners with broadly diversified interests. [...] A legal commitment to balance such interests [of the three major shareholders] independently of financial return to the Company will benefit our shareholders, and ensure our Company's commitment to stakeholders is authentic and lasting, even through changes in management or circumstance."

**Company's response:** The board recommends a vote against this proposal. "As of early 2021, we are aware of few publicly traded companies in the US that have converted to a public benefit corporation, and a small number of U.S. companies that have gone public as a public benefit corporation. Given the limited precedent for the management and governance of publicly traded public benefit corporations with widely dispersed stockholder bases at this time, there is uncertainty regarding public benefit corporations and situations where the interests of stockholders and other stakeholders or the public benefit diverge, including the absence of caselaw guidance interpreting the public benefit corporation-specific statutory provisions mandating the balancing of stockholder, stakeholder and public benefit interests. Importantly, the Delaware public benefit corporation statute requires a public benefit corporation's certificate of incorporation to identify one or more specific public benefits to be promoted by the corporation, and this proposal does not identify which public benefits it would ask stockholders to endorse, as to which stockholders could have differing views. Accordingly, stockholders will be voting on this proposal at this time without the benefit of knowing which specified public benefits would be embedded in a conversion to a public benefit corporation. Furthermore, due to the limited precedent and history regarding publicly traded companies converting to a public benefit corporation, it is difficult to predict the impact that changing the Company's form of corporate organization might have on our stockholders and the Company's long-term success. We also cannot predict how our performance on the specific public benefit(s) that would need to be reflected in our certificate of incorporation (or any perception that we have not fully addressed the goals of such public benefit(s)) could impact the Company's reputation, overall operational and financial performance and stock price. The risks and costs to stockholders of implementing such a change in corporate form are uncertain, could be extensive and could include increased volatility in our stock price and a lower price-earnings multiple for our stock price as a result of lack of comprehensive data on market valuations for public benefit corporations.

**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: 3.4, Abstain: 0.5, Oppose/Withhold: 96.1,

1.g. *Elect Sanford R. Robertson - Senior Independent Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. Additionally, as the Chair of the Nomination and Governance 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: 81.8, Abstain: 0.6, Oppose/Withhold: 17.6,

## DAVITA INC. AGM - 10-06-2021

### 4. *Shareholder Resolution: Report on Political Contributions*

**Proponent's argument:** Shareholders request that the Company provide a report, updated semiannually, disclosing the Company's: 1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum. 2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including: a. The identity of the recipient as well as the amount paid to each; and b. The title(s) of the person(s) in the Company responsible for decision-making. "We support transparency and accountability in corporate electoral spending. This includes any activity considered intervention in a political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations, and independent expenditures or electioneering communications on behalf of federal, state, or local candidates. Disclosure is

in the best interest of the company and its shareholders. The Supreme Court recognized this in its 2010 Citizens United decision, which said, '[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.' DaVita publicly discloses a policy on corporate political spending, but this is deficient because the Company does not disclose any of its corporate political expenditures. Publicly available records show DaVita has contributed at least \$140 million in corporate funds since the 2010 election cycle. "

**Company's response:** The board recommends a vote against this proposal. "Effective as of March 14, 2021, our Board approved a further enhanced Policy [...] committing the Company to significantly expand its public disclosure of political activities on a semi-annual basis. [...] We believe this New Policy appropriately reflects the extensive stockholder feedback we've solicited and received on this topic, including feedback provided by the proponent through the course of our engagement.[...]Increased transparency through commitment to publish Semi-Annual Report disclosing: – Direct links to federal and state disclosure forms reporting corporate and DaVita Political Action Committee (DaPAC) contributions to political parties, candidates and political committees – Direct links to federal and state lobbying reports – A list of the top five trade associations to whom DaVita paid funds in the preceding six-month period – A description of the Company's position on key policy priorities – For the top ten political contributions to candidates, political parties, and political committees reported on the Semi-Annual Report, an explanation of the reason for each contribution and the long-term policies of the Company supported by each contribution Increased accountability through increased disclosure and enhancements to an already robust Board oversight and reporting processes, including among other things, confirmation that: – The Government Affairs team reviews the positions of the candidates or organizations to which contributions are proposed to determine whether those positions conflict with the Company's core values and policies, and reports regularly on these matters to the Board; – The Board considers the broader societal and economic implications of the Company's political spending and oversees the Company's assessment of any potential risks related to the Company's political spending; and – The Company does not reimburse teammates, directly or through compensation increases, for any personal political contributions or expenses, including contributions to DaPAC."

**PIRC analysis:** The transparency and completeness of the company's reporting on political spending could be improved. The board's argument makes clear that its compliance with political spending disclosure regulations complies only with the minimum requirements: this is considered incomplete and insufficient. Moreover, it is to the benefit of the company and its shareholders to be open about political spending 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: 34.3, Abstain: 0.4, Oppose/Withhold: 65.3,

### 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: ADB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 83.0, Abstain: 0.2, Oppose/Withhold: 16.9,

## TBC BANK GROUP PLC AGM - 14-06-2021

### 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's salary is in the lower quartile of the comparator group. It is noted that the remuneration report on 2020 Annual General Meeting received significant opposition of 12.32% of the votes. The company did not disclosed information's how it address the issue with its shareholders.

**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. There was no variable pay for the year under review which is commendable. However, the ratio of CEO pay compared to average employee pay is considered highly excessive at 129:1. It is recommended that the CEO pay ratio to be at 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 72.5, Abstain: 4.8, Oppose/Withhold: 22.8,

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

Authority is limited to one-third of the Company's issued share capital and will expire at the next AGM. Within acceptable limits. It is noted that the company on the 2020 AGM received significant opposition of 14.5% of the votes. The company did not disclose how it address the issue with its shareholders. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 74.6, Abstain: 1.0, Oppose/Withhold: 24.5,

#### 16. *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. It is noted that the company on the 2020 AGM received significant opposition of 14.38% of the votes. The company did not disclose how it address the issue with its shareholders. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 74.9, Abstain: 1.0, Oppose/Withhold: 24.1,

#### 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. In addition, the company on the 2020 AGM received significant opposition of 15.35% of the votes. The company did not disclose how it address the issue with its shareholders. Overall opposition, is recommended.

Vote Cast: *Oppose*

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

#### 19. *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: 81.6, Abstain: 3.8, Oppose/Withhold: 14.5,

### **MEDICA GROUP PLC AGM - 16-06-2021**

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

**Disclosure:** All elements of the Single Total Remuneration Table are disclosed. Next year's fees and salaries are clearly stated. The CEO salary is in the lower quartile of PIRC's comparator group.

**Balance:** Changes in the CEO's pay over the last five years are not in line with the changes in Company's TSR performance over the same period. The CEO's variable pay for the year under review is below the acceptable level of 200% of salary. In addition, it is noted that the ratio of CEO pay compared to average employee pay is considered appropriate at 17:1.

Rating: AB

Vote Cast: *For*

Results: For: 67.0, Abstain: 0.0, Oppose/Withhold: 33.0,

## **AMADEUS IT GROUP AGM - 16-06-2021**

### *5.4. Elect David Webster - 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: 87.4, Abstain: 1.4, Oppose/Withhold: 11.2,

### *5.5. Elect Clara Furse - 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: 81.3, Abstain: 1.4, Oppose/Withhold: 17.3,

### *5.10. Elect Francesco Loredan - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he has been on the Board for more than 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*

Results: For: 84.2, Abstain: 1.4, Oppose/Withhold: 14.4,

### *6. 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. There are excessiveness concerns 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. 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: 38.2, Abstain: 0.3, Oppose/Withhold: 61.5,

### *8. Approve Remuneration Policy*

It is proposed to approve the remuneration policy with a binding vote. Variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets

for the performance criteria of its variable remuneration component, which may lead to overpayment against underperformance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. Nevertheless, opposition is recommended based on potential excessive variable remuneration.

Vote Cast: *Oppose*

Results: For: 88.3, Abstain: 0.2, Oppose/Withhold: 11.5,

## INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA AGM - 16-06-2021

### 11. *Amend Articles 21 and 24.2 Re: Allow Shareholder Meetings to be Held in Virtual-Only Format*

It is proposed to amend the articles, in order to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual only if attendees participate only by way of electronic means, or may be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means. Meetings are a place for debate and decision: it is considered that the use of electronic means of participation be beneficial for all shareholders. Support is recommended.

Vote Cast: *For*

Results: For: 81.4, Abstain: 0.6, Oppose/Withhold: 18.0,

## WHITBREAD PLC AGM - 17-06-2021

### 2. *Approve the Remuneration Report*

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

**Balance:** The balance of CEO realized pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. 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 51:1, it is recommended that the ratio does not exceed 20:1.

Rating: AB

Vote Cast: *For*

Results: For: 53.0, Abstain: 17.5, Oppose/Withhold: 29.5,

### 5. *Re-elect David Atkins - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 88.8, Abstain: 0.5, Oppose/Withhold: 10.7,

### 9. *Re-elect Adam Crozier - Chair*

Chair. Independent upon appointment. It is noted that in the 2020 AGM Mr. Crozier received significant opposition in his re-election of 10.15%. The company did not disclose how it address the issue with its shareholders. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 83.5, Abstain: 2.3, Oppose/Withhold: 14.2,



*10. Re-elect Frank Fiskers - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 85.8, Abstain: 3.4, Oppose/Withhold: 10.8,

*11. Re-elect Richard Gillingwater - Senior Independent Director*

Senior Independent Director. Considered independent.

Vote Cast: *For*

Results: For: 89.1, Abstain: 0.5, Oppose/Withhold: 10.4,

**PETROFAC LTD AGM - 17-06-2021**

*2. Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary decrease by -5.7% for the year under review when the workforce salary decrease by -3.2%, the CEO salary is in line with the workforce. The CEO salary is in the lower quartile of PIRC's comparator group

**Balance:**The balance of the CEO's pay with financial performance is not considered acceptable as the change in CEO's total pay over five years is not commensurate with the change in TSR over the same period. The total realized pay for the CEO in the year under review is considered acceptable at 9.5% of salary. It is noted that no Annual Bonus was paid for the year under review which is commendable. The CEO's ratio of pay compared to that of the average employee is considered acceptable at 12:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 30.5, Abstain: 50.0, Oppose/Withhold: 19.5,

*7. Re-elect Ayman Asfari - Non-Executive Director*

Non-Executive Director. Not considered independent as Mr. Asfari was the CEO of the company until January 2020. There is sufficient independent representation on the Board. Support is recommended.

Vote Cast: *For*

Results: For: 33.0, Abstain: 50.0, Oppose/Withhold: 17.0,

**IBERDROLA SA AGM - 17-06-2021**

*20. Elect Juan Manuel González Serna - Senior Independent Director*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material: he was director of Iberdrola Renovables in 2013. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 84.4, Abstain: 0.6, Oppose/Withhold: 15.0,

### 26. *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: 81.8, Abstain: 1.9, Oppose/Withhold: 16.3,

## COCA-COLA HBC AG AGM - 22-06-2021

### 4.1.4. *Re-elect Reto Francioni (Senior Independent Director) as a member of the Board of Directors and as a member of the Remuneration Committee*

Senior Independent Director. Considered independent.

Vote Cast: *For*

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

### 7. *Advisory vote on the UK Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The change in the CEO salary for the year under review was 1.7% were the change in the Swiss workforce was 1%. However, as the company disclose in the Annual Report the base salary for the Chief Executive Officer has not been increased between 2019 and 2020. The CEO salary is in the median of the competitor group.

**Balance:** Changes in the former CEO's pay in the last five years are not considered to be in line with changes in TSR during the same period. Over the five- year period average annual increase in CEO pay has been approximately 88.37% whereas, on average, TSR has increased by 15.13%. The CEO variable pay is 195.9 of the salary (51.5% Annual Bonus and 144.4% PSP) and is not considered excessive. The ratio of CEO pay compared to average employee pay is not acceptable, standing at 75:1. PIRC consider appropriate a ratio of 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 72.1, Abstain: 0.0, Oppose/Withhold: 27.9,

### 9. *Advisory vote on the Swiss 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. The company has disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. On balance, support is recommended.

Vote Cast: *For*

Results: For: 72.2, Abstain: 0.0, Oppose/Withhold: 27.7,

## MASTERCARD INCORPORATED AGM - 22-06-2021

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

Vote Cast: *Oppose*

Results: For: 75.2, Abstain: 0.3, Oppose/Withhold: 24.5,

## VIVENDI SE AGM - 22-06-2021

### *O.7. 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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 62.7, Abstain: 2.4, Oppose/Withhold: 34.9,

### *O.8. Approve Compensation of Yannick Bollere, Chairman of the Supervisory Board*

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

Vote Cast: *For*

Results: For: 62.4, Abstain: 2.6, Oppose/Withhold: 35.0,

### *O.9. Approve Compensation of Arnaud de Puyfontaine, Chairman of the Management Board*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 62.6, Abstain: 2.6, Oppose/Withhold: 34.8,

### *O.10. Approve Compensation of Gilles Alix, Management Board Member*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 61.3, Abstain: 2.6, Oppose/Withhold: 36.1,

*O.11. Approve Compensation of Cedric de Baillencourt, Management Board Member*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 63.9, Abstain: 2.6, Oppose/Withhold: 33.5,

*O.12. Approve Compensation of Frederic Crepin, Management Board Member*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 61.3, Abstain: 2.6, Oppose/Withhold: 36.1,

*O.13. Approve Compensation of Simon Gillham, Management Board Member*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 61.3, Abstain: 2.6, Oppose/Withhold: 36.1,

*O.14. Approve Compensation of Herve Philippe, Management Board Member*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 62.3, Abstain: 2.6, Oppose/Withhold: 35.1,

*O.15. Approve Compensation of Stephane Roussel, Management Board Member*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 61.3, Abstain: 2.6, Oppose/Withhold: 36.1,

*O.16. Approve Remuneration Policy of Supervisory Board Members and Chairman*

It is proposed to approve the remuneration policy for the Chair with a binding vote. The Chair of the Board receives only fixed remuneration. Support is recommended. It is proposed to approve the remuneration policy for the non-executive directors with a binding vote. Non-executive directors on the board receive only fixed remuneration. Support is recommended.

Vote Cast: *For*

Results: For: 62.1, Abstain: 2.6, Oppose/Withhold: 35.4,

*O.17. Approve Remuneration Policy of Chairman of the Management Board*

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: 58.2, Abstain: 2.6, Oppose/Withhold: 39.2,

*O.18. Approve Remuneration Policy of Management Board Members*

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: 58.3, Abstain: 2.7, Oppose/Withhold: 39.0,

*E.23. Authorize Specific Buyback Program and Cancellation of Repurchased Share*

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: 73.1, Abstain: 0.6, Oppose/Withhold: 26.2,

## THE KROGER CO. AGM - 24-06-2021

*4. Shareholder Resolution: Assess Environmental Impact of Non-Recyclable Packaging*

**Proponent's argument:** Shareholders request that the board of directors issue a report by December 2021 on plastic packaging, estimating the amount of plastics released to the environment by our use of plastic packaging, from the manufacture of plastic source materials, through disposal or recycling, and describing any company strategies or goals to reduce the use of plastic packaging to reduce these impacts. "More than 250 companies have committed to take a variety of actions through the Ellen MacArthur Foundation Global Commitment that will reduce plastic pollution. Kroger is notably absent from this historic corporate coordination. The

company is one of the worst performing in packaging data transparency – lacking disclosure of key data such as tonnage of overall plastic used and the number of units of plastic packaging put into commerce. Global Commitment signatory Unilever has taken the most significant corporate action to date, agreeing to cut plastic packaging use overall by 100,000 tons by 2025. Signatory PepsiCo has committed to substitute recycled content for 35% of virgin plastic in its beverage division. Kroger has no new significant commitment to cut plastic use, nor a commitment to build a circular economy through incorporation of recycled content plastic. The company received a score of D in an As You Sow study ranking corporate leadership on plastic pollution. This ranking demonstrates that Kroger lags in its commitments, specifically on transparent reporting, incorporating recycled content plastic, and making overall cuts in plastic packaging."

**Company's response:** The Board of Directors recommends a vote against this proposal. "In 2019 we became the exclusive U.S. grocery retail partner for Loop, an innovative circular packaging platform that aligns with Kroger's zero-waste vision by reducing single-use plastics in the environment. We are working with our CPG partners and Our Brands team to pilot this new packaging system in select Kroger-operated stores in 2021. Kroger was also the first major U.S. grocery retailer to commit to phase out the use of single-use plastic grocery shopping bags across the country by 2025. Recognizing the complexity of finding the right network of alternative solutions for our customers, Kroger was pleased to join the Beyond the Bag Initiative as the Grocery Sector Lead in 2020. In a partnership with other leading retailers convened by Closed Loop Partners, Kroger is supporting the development of alternatives to the single-use plastic grocery bag. During 2021, we are building on the packaging tracking work we are finalizing for our Kroger Manufactured items to create a packaging baseline for Kroger's Our Brands portfolio. In parallel, we continue to explore opportunities to reduce unnecessary packaging, to increase recycled content and to improve recyclability in our packaging-all with the goal of reducing plastic pollution from our packaging."

**PIRC analysis:** Reporting on sustainability issues is in shareholders' interests both as a means of informing shareholders of potential risks and opportunities faced by the company, but also as a means of ensuring that the management and board of a company gives due consideration to these issues. The company indicates that it already has initiatives in this area. However, such reporting takes the form of estimates of measures such as percentage of packaging worldwide which was recyclable, compostable or biodegradable, or percentage of waste which was diverted from landfill. However, company's reporting seems to present no better information on how much actually is recycled, or what goals there are for achieving either 50% recycling or more. For this reason the report requested would appear to be necessary to assess where the Company has made mistakes and how it can remedy those. Support for the resolution is recommended.

Vote Cast: *For*

Results: For: 45.1, Abstain: 1.0, Oppose/Withhold: 53.9,

## 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: AEA. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 89.3, Abstain: 0.5, Oppose/Withhold: 10.3,

## ENTAIN PLC AGM - 25-06-2021

### 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. Although this resolution is in line with normal market practice, the resolution registered a significant level of oppose votes of 19.03% at the 2020 AGM which has not been adequately addressed. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 85.1, Abstain: 0.0, Oppose/Withhold: 14.8,

## MEARS GROUP PLC AGM - 29-06-2021

### 2. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The change in the CEO salary was in line with the workforce as the CEO salary increase by 2% as the workforce salary. The CEO salary is in the median of the competitor group.

**Balance:**Changes in CEO salary over the last five years are not considered in line with Company financial performance over the same period. The CEO variable pay during the year is not considered excessive at 31.3% of the salary. It is noted that no LTIP award is vested for the year under review.. The ratio of CEO pay compared to average employee pay is slightly above the proposed limit at 21:1. PIRC consider adequate a CEO pay ratio of 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 75.1, Abstain: 1.9, Oppose/Withhold: 23.0,

### 5. *Re-elect Kieran Murphy - Chair (Non Executive)*

Chair. Independent upon appointment. However, as the Company do not have a Sustainability Committee, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. In addition, Mr. Murphy is Chair of the Nomination committee,

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Furthermore it is noted that Mr. Murphy receive significant opposition in the 2020 AGM of 17.59% of the votes which has not been adequately addressed. Overall opposition is recommended.

Vote Cast: *Oppose*

Results: For: 76.5, Abstain: 0.0, Oppose/Withhold: 23.5,

### 6. *Re-elect David J. Miles - Chief Executive*

Chief Executive. Acceptable service contract provisions. However, it is noted the director received a significant number of oppose votes of 17.58% at the 2020AGM which has not been adequately addressed. On this basis, an oppose vote is recommended

Vote Cast: *Oppose*

Results: For: 74.7, Abstain: 8.3, Oppose/Withhold: 17.0,

### 7. *Re-elect Andrew C. M. Smith - Executive Director*

Executive Director. Acceptable service contract provisions. However, it is noted the director received a significant number of oppose votes of 17.66% at the 2020 AGM which has not been adequately addressed. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

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

#### 8. *Re-elect Alan Long - Executive Director*

Executive Director. Acceptable service contract provisions. However, it is noted the director received a significant number of oppose votes of 17.58% at the 2020 AGM which has not been adequately addressed. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 75.8, Abstain: 0.0, Oppose/Withhold: 24.2,

#### 9. *Re-elect Dame Julia Unwin - Senior Independent Director*

Senior Independent Director. Considered independent. However, it is noted the director received a significant number of oppose votes of 17.58% at the 2020 AGM which has not been adequately addressed. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 76.7, Abstain: 0.0, Oppose/Withhold: 23.3,

#### 11. *Re-elect Christopher Loughlin - Non-Executive Director*

Independent Non-Executive Director. Independent Non-Executive Director. However, it is noted the director received a significant number of oppose votes of 17.13% at the 2020 AGM which has not been adequately addressed. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 83.3, Abstain: 0.0, Oppose/Withhold: 16.7,

#### 12. *Elect Claire Gibbard - Employee Representative*

It is considered that the election or re-election of employee representatives have potential to create a positive influence in areas of decision making normally reserved for the Board and senior management. Therefore, support is advised.

Vote Cast: *For*

Results: For: 85.0, Abstain: 0.0, Oppose/Withhold: 15.0,

#### 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: 79.1, Abstain: 0.0, Oppose/Withhold: 20.9,

#### 15. *Issue Shares for Cash*

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

Vote Cast: *For*

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

#### 16. *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. it is noted this resolution registered a significant number of oppose votes of 17.98% at the 2020 AGM which has not been adequately addressed. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 80.3, Abstain: 0.0, Oppose/Withhold: 19.7,

#### **KINGFISHER PLC AGM - 30-06-2021**

##### *11. Re-elect Sophie Gasperment - Non-Executive Director*

Independent Non-Executive Director and Chair of the Responsible Business Committee (RBC).

Vote Cast: *For*

Results: For: 86.3, Abstain: 0.0, Oppose/Withhold: 13.7,

### 3 Oppose/Abstain Votes With Analysis

#### DEUTSCHE TELEKOM AGM - 01-04-2021

##### *3. Discharge the Management Board*

Standard proposal. 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*

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

##### *4. Discharge the Supervisory Board*

Standard proposal. 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*

Results: For: 88.6, Abstain: 0.0, Oppose/Withhold: 11.4,

##### *5.1. Appoint the Auditors*

PwC proposed. Non-audit fees represented 6.67% of audit fees during the year under review and 7.69% 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: 0.0, Oppose/Withhold: 5.8,

##### *5.2. Appoint the Auditors for the 2021 Financial Statements*

PwC proposed. Non-audit fees represented 6.67% of audit fees during the year under review and 7.69% 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: 0.0, Oppose/Withhold: 5.8,

##### *5.3. Appoint the Auditors for the First Quarter of Fiscal Year 2021*

PwC proposed. Non-audit fees represented 6.67% of audit fees during the year under review and 7.69% 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: 94.5, Abstain: 0.0, Oppose/Withhold: 5.5,

#### 5.4. *Appoint the Auditors for the Third Quarter of Fiscal Year 2021 and the First Quarter of Fiscal Year 2022*

PwC proposed. Non-audit fees represented 6.67% of audit fees during the year under review and 7.69% 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: 0.0, Oppose/Withhold: 5.8,

#### 7. *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: 93.5, Abstain: 0.0, Oppose/Withhold: 6.5,

#### 8. *Authorise Use of Financial Derivatives When Repurchasing Shares*

It is proposed to approve authority to use financial derivatives to repurchase and use capital stock within legal boundaries for the period up until 31-03-2026. This authority does not seek to increase the limit of the share repurchase authority.

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. As the period proposed exceeds 18 months, opposition is recommended.

Vote Cast: *Oppose*

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

#### 9. *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: 72.7, Abstain: 0.0, Oppose/Withhold: 27.3,

### **ST MODWEN PROPERTIES PLC AGM - 01-04-2021**

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

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

Vote Cast: *Abstain*

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

## 2. Approve the Remuneration Report

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. For the year under review the highest paid director was the Chief Financial Officer of the company. The highest paid directors salary is in line with the workforce. The salary of the highest paid director is on the median of the competitors group.

**Balance:** The balance of the highest paid director for the year under review (CFO) realized pay with financial performance is not acceptable as the change in the highest director pay (CFO) total pay over five years is not commensurate with the change in TSR over the same period. The CFO's variable remuneration stand at 34.2% during the year under review which is inclusive of only the LTIP. The ratio of CEO pay compared to average employee pay is acceptable, currently standing at 7:1

Rating: AC

Vote Cast: *Abstain*

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

## 6. Re-elect Danuta Gray - Chair (Non Executive)

Chair. Independent upon appointment. 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. Opposition, is recommended.

Vote Cast: *Oppose*

Results: For: 94.0, Abstain: 4.0, Oppose/Withhold: 2.0,

## 9. Re-elect Rob Hudson - Executive Director

Executive director, Mr. Hubson has the Board responsibility for ensuring delivery of the Responsible Business ambitions of the company. As the person responsible for the sustainability policy of the company, is considered to be accountable for the Company's sustainability program, 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: 95.1, Abstain: 4.4, Oppose/Withhold: 0.5,

## 13. Re-appoint KPMG LLP as Auditors

KPMG proposed. Non-audit fees represented 13.82% of audit fees during the year under review and 9.22% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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 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,

#### *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: 97.4, Abstain: 0.0, Oppose/Withhold: 2.5,

#### *18. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### **THE TORONTO-DOMINION BANK AGM - 01-04-2021**

#### *1.10. Elect Irene R. Miller - Non-Executive Director*

Non-Executive Director and member of the Audit Committee. Not considered to be independent owing to tenure of over nine years. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless of the independent representation on the Board as a whole, opposition is recommended.

Vote Cast: *Oppose*

#### *2. Approve Ernst & Young LLP as Auditors and Authorize Board to Fix Their Remuneration.*

EY proposed. Non-audit fees represented 11.31% of audit fees during the year under review and 12.32% 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*

### *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*

## **ELLAKTOR SA EGM - 02-04-2021**

### *1. Shareholder Resolution: Revocation of all the members of the Board of Directors of the Company*

Greenhill Investments Limited, holding 36,314,000 common, registered shares, proposed the revocation of all the members of the Board of Directors of the Company. The Board states that, it was appointed by the Extraordinary General Meeting held following a postponement on January 27th, 2021, by an absolute majority, i.e. 61.14% for and 38.77% against, took charge and within a period of about one month, has proceeded to every possible effort to achieve business objectives and maximize the value of the Company and the ELLAKTOR Group for the benefit of all shareholders of the Company. The new Administration proceeds to changes and improvements in the way the Company and Group are organized and operated, on the basis of the following: i) Construction: priority to raise funds to cleanse the sector. Restructuring plan for the sector, focusing on projects where the Group maintains a competitive advantage in experience and exploiting the accumulated knowhow of the most experienced executives. ii) Concessions: capitalization of the leadership position of the Group for new concession projects, iii) Wind farms: implementation of the existing investment plan and exploitation of the projected positive cash flows, iv) Environment (waste management): challenging for the multiple opportunities existing mainly in Greece and v) Real Estate: improvement of the efficiency of the company and development of the real estate under its management. The Board of Directors is in the middle of its statutory term. The prudent and useful way of administration and management of corporate affairs was approved by the vast majority of the company's shareholders during the mentioned Extraordinary General Meeting above. Furthermore, on the date of the convening of the Extraordinary General Meeting, the minority shareholder applicants who requested its convening by raising, among others, this agenda item, did not submit any comment or draft decision to the Company and its shareholders. Based on the lack of information by the shareholders' opposition is recommended.

*Vote Cast: Oppose*

### *2. Shareholder Resolution: Election of a new Board of Director of the Company*

Greenhill Investments Limited, holding 36,314,000 common, registered shares, proposed the election of a new Board. The Board states that, based on the comments it provide for resolution 1, it has been recently approved by the shareholders in the Extraordinary meeting on January 27th, 2021, by an absolute majority, i.e. 61.14% for and 38.77% against, took charge and within a period of about one month, has proceeded to every possible effort to achieve business objectives and maximize the value of the Company and the ELLAKTOR Group for the benefit of all shareholders of the Company. The new Administration proceeds to changes and improvements in the way the Company and Group are organized and operated. In addition, on the date of the convening of the Extraordinary General Meeting, the minority shareholder applicants who requested its convening by raising, among others, this agenda item, did not submit any comment or draft decision to the Company and its shareholders. Based on the lack of information by the shareholders' opposition is recommended.

*Vote Cast: Oppose*

### *3. Shareholder Resolution: Revocation of all the members of the Audit Committee of the Company*

Greenhill Investments Limited, holding 36,314,000 common, registered shares, based on article 44 of L 4449/2017 proposed the revocation of all members of

the Audit Committee of the company. The Board states that the company's Audit Committee was appointed by the postponed AGM that took place on 27th January 2021 and its members have proven and sufficient knowledge, including knowledge in the company's field of operation, as well as the necessary skills to perform in their role as members of the Audit Committee. In addition, the Board comment that since its appointment, the Audit Committee has performed excellent in its role and consequently there is no reason for revocation. The shareholders which submitted the proposal did not provide any rationale or explanatory notes. Based on this opposition is recommended.

*Vote Cast: Oppose*

#### *4. Shareholder Resolution: Election of a new Audit Committee of the Company*

Greenhill Investments Limited, holding 36,314,000 common, registered shares proposed the election of a new Audit Committee. However, on the date of the convening of the Extraordinary General Meeting, the minority shareholder applicants who requested its convening by raising, among others, this agenda item, did not submit any comment or draft decision to the Company and its shareholders. The Board comment that, in the justification of the item by the requesting shareholders, in combination with the CVs of the proposed members of the Audit Committee, no sufficient knowledge of the proposed members in the fields, in which the Company operates, is proven, as the nature and the various activities of the ELLAKTOR Group on the one hand are characterized by complexity on the other hand are implemented by a number of subsidiaries both in Greece and abroad. In this regard, it is noted that, according to the above remarks of the Hellenic Capital Market Commission, by the election of the members of the Audit Committee it is required to formulate the rationale for the nomination of the proposed persons and to determine their suitability regarding the criteria of paragraph 1 of Article 44 of Law 4449 / 2017 and the laws and conditions mentioned there, as well as regarding any obstacles or incompatibilities, taking into account the applicable Corporate Governance Code and the Internal Regulations of the relevant company. Therefore, the proposal of the requesting shareholders is at least incomplete. Based on the absence of information opposition is recommended.

*Vote Cast: Oppose*

### **BROADCOM INC AGM - 05-04-2021**

#### *1c. Elect Raul J. Fernandez - 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: 98.7, Abstain: 0.4, Oppose/Withhold: 0.9,*

#### *1d. Elect Eddy W. Hartenstein - Senior Independent Director*

Lead Independent Director. Not considered independent owing to tenure of over 9 years. He served as a director of BRCM from June 2008 through January 2016 before the merger. In addition, the director is the Chair of the compensation committee which should comprise wholly of independent directors. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Therefore, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 90.6, Abstain: 0.4, Oppose/Withhold: 9.0,*

#### *1f. Elect Justine F. Page - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was previously employed by the Company's predecessors Avago Technologies Limited and

Broadcom Limited as a Director. Although there is sufficient balance of independence on the board, it is noted that the director is the Chair of the audit committee which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

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

#### 1g. *Elect Henry S. Samueli Ph.D. - Chair (Non Executive)*

Non-Executive Chair of the Board. Not considered independent owing to a material relationship with the company. He was a co-founder of BRCM and served as its Chief Technical Officer from its inception in 1991 to May 2008 and from December 2009 through January 2016. 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 oversight of the functioning of the board, and holding a non-independent, non-executive position is incompatible with this. Also, 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 the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.4, Oppose/Withhold: 0.9,

#### 2. *Re-appoint PricewaterhouseCoopers as the Auditors*

PwC proposed. Non-audit fees represented 15.85% of audit fees during the year under review and 15.11% 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: 99.1, Abstain: 0.4, Oppose/Withhold: 0.5,

#### 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. It is noted that this resolution registered a significant proportion of oppose votes of 19.82% at the 2020 AGM. The compensation rating is: ACC. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 95.2, Abstain: 0.5, Oppose/Withhold: 4.3,

### **THAI UNION GROUP AGM - 05-04-2021**

#### 5.1. *Elect Kraisor Chansiri - Chair (Non Executive)*

Non-Executive Chair. Not considered independent as his family is a substantial shareholder of the Company and also serves as President and Executive Director in several subsidiaries of the Company. It is a generally accepted a 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 oversight of the functioning of the Board. Being a non-independent Chair is considered to be incompatible with this. Opposition is recommended.

Vote Cast: *Oppose*



### 5.3. *Elect Kirati Assakul - 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*

### 5.4. *Elect Ravinder Singh Grewal Sarbjit S - 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*

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

The Nomination and Remuneration Committee of the Board of Directors proposes that the board members' annual remuneration be increased as follows: Remuneration for TU Directors, Chairman retainer THB 80,000/month (previously 50,000), Meeting allowance of Chairman THB 40,000/time (previously 30,000), Director retainer THB 40,000/month (previously 25,000), and Meeting allowance of Director THB 20,000/time (previously 15,000). Remuneration for Independent Director: Retainer THB 40,000/month (previously 25,000), Meeting allowance 20,000 (previously 15,000). Remuneration for sub-committee: Audit Committee, Chairman THB 60,000/month (previously 50,000), and Member THB 30,000 (previously 25,000). The Nomination and The Remuneration Committee: Chairman THB 360,000/year (previously 240,000), and Member THB 180,000 (previously 120,000). The Risk Management Committee, Chairman THB 360,000/year (previously 240,000), Member (Independent Director) THB 180,000 (previously 120,000), and Member (Executive Director) THB 120,000 (previously 80,000). The proposed increase is 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*

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

PwC proposed. Non-audit fees represented 16.62% of audit fees during the year under review and 35.32% 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*

### 9. *Approve the TFM ESOP Scheme*

It is proposed to approve a share plan for directors, executives and employees of the Company. The Board would receive the authority to set beneficiaries and other conditions. After allotment, shares will be restricted for three years, which is not considered to be sufficiently long term. The Company states that plan aims to remunerate participants for their support, consultancy and contribution to the establishment. Specific targets have not been disclosed at this time.

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

Vote Cast: *Oppose*

### 10. *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*

#### **GRUPO COMERCIAL CHEDRAUI SA AGM - 05-04-2021**

##### *1. Present Report on Activities and Operations Undertaken by Board*

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. Present Report on Operations Carried Out by Audit and Corporate Practices Committee*

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 Financial Statements, Allocation of Income and Increase Legal Reserve*

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 Dividends of MXN 0.48 Per Share*

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. Present Report on Share Repurchase Reserve and Set Maximum Amount of Share Repurchase Reserve*

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. Discharge the Board of Auditors and CEO*

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 or Ratify Directors, Officers and Audit and Corporate Practice Committee Members; Approve Their 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*

#### *8. Appoint Legal Representatives*

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*

### **ODONTOPREV SA AGM - 05-04-2021**

#### *3. Approve Maximum Compensation for Directors, 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 BRL 21.4 million. Variable remuneration for executives would correspond to up to 356% 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*

#### *6. Elect Fiscal Council Members*

It is proposed to appoint members of the Fiscal Council in a bundled election. In addition, the candidates Ivan Maluf Junior and Vanderlei Dominguez da Rosa are not considered to be independent, owing to a tenure on the Fiscal Council of more than nine years. 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*

#### *7. 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*

#### *8. 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*

## SSP GROUP PLC EGM - 06-04-2021

### *1. Issue Shares with Pre-emption Rights Pursuant to a Rights Issue*

The board is seeking shareholder approval to allot shares up to an aggregate nominal amount of GBP 2,800,132.89 in connection with a Rights Issue. It is noted the Rights Issue has been structured in a way that is expected to have the effect of creating distributable reserves approximately equal to the net proceeds of the Rights Issue less the aggregate nominal value of the New Shares issued by the company. It is noted this Rights Issue is a 12 for 25 rights issue; that is, an offer of 12 New Shares for every 25 Existing Shares held by Qualifying Shareholders at the close of business on 1 April 2021 (the "Record Date"). If you hold Existing Shares on the Record Date, you will be a Qualifying Shareholder. Qualifying Shareholders, other than, subject to certain exceptions, those who have a registered address, or are resident, in the Excluded Territories, will be entitled to buy New Shares under the Rights Issue.

#### **Recommendation:**

It is noted the qualifying shareholder who do not take up their entitlement to new shares will have their proportionate shareholdings diluted by approximately 32.4% following the rights issue meaning that the shareholders are not treated equitably. In addition, the level of dilution for non-participating shareholders' raises serious concerns and as a result the proposal cannot be supported.

*Vote Cast: Oppose*

### *2. Implement the Rights Issue*

The board is seeking shareholder approval in order to implement the Rights Issue which is conditional to the passing of Resolution 1. In line with Resolution 1, an oppose vote is recommended.

*Vote Cast: Oppose*

## BANCA MONTE DEI PASCHI DI SIENA SPA AGM - 06-04-2021

### *O.3.1. 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*

### *O.4. Approve New Executive Share Plan*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted synthetic shares, whose corresponding value will be paid out in cash at the end of the vesting period, should targets be achieved. The synthetic shares will be converted into money based on the market value of the Bank's ordinary shares, according to the dates established in the specific agreements for the payment of the Severance due in financial instruments to the identified Staff, and does not foresee the use of Bank's own share Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful

- dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

*Vote Cast: Oppose*

## **ZURICH INSURANCE GROUP AG AGM - 07-04-2021**

### *1.2. Approve Remuneration Report*

It is proposed to approve the remuneration report with an advisory 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 short term 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: 78.1, Abstain: 0.7, Oppose/Withhold: 21.3,*

### *4.1h. Elect Monica Mächler - Non-Executive Director*

Non-Executive Director and member of the Audit Committee. Not considered to be independent as she previously assumed the roles of Group General Counsel and Head of the Board Secretariat of Zurich Insurance Group from 1999 to 2006. It is considered that the Audit Committee should consist of solely independent directors. Regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

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

### *5.2. Approve Remuneration Policy of Executive Committee in the Amount of CHF 79.8 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 for Financial Year 2022 at CHF 79.8 million (CHF 78.2 million was proposed last year). This proposal includes fixed and variable remuneration components.

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: 86.9, Abstain: 0.7, Oppose/Withhold: 12.5,*

### *6. Approve Extension of Authority to Increase Authorised Share Capital*

The authorized share capital pursuant to Art. 5bis of the Articles of Association which was granted by the Annual General Meeting 2020 is set to expire on April 1, 2022. The Board of Directors is authorized to increase the share capital by issuing up to 44,882,400 fully paid registered shares with a nominal value of CHF 0.10 each. The renewed authorization is valid for a period of 24 months. The authority is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

Results: For: 87.1, Abstain: 0.3, Oppose/Withhold: 12.6,

#### *7. Transact Any Other Business*

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

Vote Cast: *Oppose*

### **ROCKWOOL INTERNATIONAL A/S AGM - 07-04-2021**

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

It is proposed to approve the implementation of the remuneration report. 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. Ratify PricewaterhouseCoopers as Auditors*

PwC proposed. Non-audit fees represented 100.00% of audit fees during the year under review and 100.00% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

#### *9.a. Authorise 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*

### **SCHLUMBERGER N.V. (SCHLUMBERGER LIMITED) AGM - 07-04-2021**

#### *1.05. Elect Maria Moræus Hanssen - 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: 97.8, Abstain: 0.2, Oppose/Withhold: 2.0,

#### 1.06. *Elect Mark G. Papa - Chair*

Non-Executive Chair of the Board. Not considered to be independent as the Board previously determined in 2018 that Mr. Papa is not an "independent" director under the listing standards of the NYSE and their director independence standards, though the reason is not disclosed. It is 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. Also, it is noted that the director is the Chair of the remuneration committee, which should comprise wholly of independent directors.

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 the concerns over the Company's sustainability policies and practice in addition to the other concerns identified above, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.4, Abstain: 0.1, Oppose/Withhold: 2.4,

#### 1.07. *Elect Henri Seydoux - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. The director also has family ties to the founding Schlumberger brothers. Although there is a sufficient balance of independence on the board, it is noted that the director is a member of the remuneration committee which should consist wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 88.6, Abstain: 0.1, Oppose/Withhold: 11.3,

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

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. It is also noted that this resolution registered a significant level of oppose votes of approximately 12.34% at the 2020 AGM. 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: ACC. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 94.1, Abstain: 0.6, Oppose/Withhold: 5.4,

#### 3. *Approve Financial Statements and Dividend*

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

Vote Cast: *Oppose*

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

#### 4. *Appoint PricewaterhouseCoopers LLP as the Auditors*

PwC proposed. Non-audit fees represented 17.36% of audit fees during the year under review and 21.06% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The 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*

*Results: For: 95.1, Abstain: 0.1, Oppose/Withhold: 4.7,*

#### *5. Amend 2017 Omnibus Stock Incentive Plan*

It is proposed to amend the 2017 Schlumberger Omnibus Stock Incentive Plan. The Board are proposing to: increase the number of shares available for issuance by 35 million shares, remove certain provisions relating to Section 162(m) of the Internal Revenue Code, including limits on the number of shares subject to awards granted to an individual participant in any calendar year and prohibit the payment of dividends prior to the vesting of full-value awards.

There are concerns with the Plan as it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust performance targets, and may not be sufficiently challenging. In addition, maximum award limits are excessive. As a result, opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 96.7, Abstain: 0.2, Oppose/Withhold: 3.1,*

#### *7. Amend Non-Employee Director Restricted Stock Plan*

The board is proposing to increase the number of shares available for stock awards under the Directors Stock Plan (DSP) by 600,000 shares. All non-employee directors of Schlumberger are eligible to participate in the DSP (As of 7 April 2021 there will be 7 directors eligible to participate). As of February 5, 2021, 90,637 shares (of the 650,000 authorized in prior plan restatements) remained available for issuance under the Directors Stock Plan, meaning that if the proposed amendment and restatement is approved, an aggregate of 690,637 shares will be available for issuance. The stock awards available under the DSP may be in the form of shares of common stock, shares of restricted common stock or restricted stock units, each of which will represent the right to receive one share of common stock. The DSP would continue until the available number of shares authorized are exhausted unless it is terminated prior to that time. There are concerns that the remuneration committee could make compensation decisions to meet individual circumstances which are contrary to best practice. Therefore, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 97.1, Abstain: 0.2, Oppose/Withhold: 2.7,*

### **PIRAEUS FINANCIAL HOLDINGS SA EGM - 07-04-2021**

#### *1. Approve Authority to Increase Authorised Share Capital*

Authority is sought to increase the authorized share capital of the Company up to EUR 14,959,064,952 . 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*

#### *4. Approve All Employee Option/Share Scheme*

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

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



Vote Cast: *Oppose*

## RM PLC AGM - 08-04-2021

### 1. *Receive the Annual Report*

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

Vote Cast: *Oppose*

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

### 3. *Re-elect John Poulter - Chair*

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 the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 86.3, Abstain: 12.7, Oppose/Withhold: 1.0,

### 10. *Approve Remuneration Policy*

The board is seeking shareholder approval of the remuneration policy. All elements of each director's cash remuneration and pension contributions are disclosed. Pay policy aims are fully explained in terms of the company's objectives. However, there is no evidence that pay elsewhere in the company is used in determining directors' pay. Maximum potential awards are stated but could exceed the recommended limit of 200% of base salary which is considered inappropriate. In addition, quantified description of performance conditions and targets has not been provided for the annual bonus and the LTIP as the company states that the non-disclosure is due to the COVID 19 pandemic. There is no evidence that dividend 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. Regarding contracts, it is noted each service contract is subject to earlier termination for cause. In exceptional circumstances, a longer notice period initially reducing down to 12 months, to secure the appointment of an executive recruitment may be agreed which is not considered appropriate. This can allow for excessive severance payments for Executives appointed under these terms. Further, there are concerns that upside discretion may be applied while determining severance.

Rating: EDE.

Vote Cast: *Oppose*

Results: For: 76.2, Abstain: 12.7, Oppose/Withhold: 11.2,

### 11. *Approve the Remuneration Report*

The board is seeking shareholder approval of the remuneration report. It is noted no pay rises were awarded to executive directors for the year ended 30 November 2020. The average pay rise across the wider workforce was 1.6%. It is noted the measures relating to the LTIP and the bonus has not been disclosed. It is worth noting that the non-disclosure of the measures relating to these targets makes it difficult to ascertain how challenging the targets are. Dividend accrual is not separately categorised. The CEO's total remuneration amounts to 137.30% of his base salary which is inclusive of the LTIP. No annual bonus was paid out during the year. The CEO pay compared to the employee pay is considered acceptable at 12:1. On balance, an abstain vote is recommended.

Rating: BC.

Vote Cast: *Abstain*

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

#### *12. Amend Existing RM Plc Performance Share Plan*

The board is seeking shareholder approval of the performance share plan by increasing the maximum amount of LTIPs to 200% of base salary per annum. It is noted the measures relating to the performance share plan has not been set. The non-disclosure of these measures makes it difficult to ascertain how stretching and challenging the targets are. The performance period is three years which is not considered to be sufficiently long-term. However, a two year holding period applies which is welcomed. The use of non-financial measures is not considered appropriate. Best practice is for at least one metric to be linked to non-financial indicators. On termination, upside discretion can be used by the committee when determining severance payments under the different incentive plans. 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*

Results: For: 78.4, Abstain: 12.7, Oppose/Withhold: 8.9,

#### *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: 99.3, Abstain: 0.0, Oppose/Withhold: 0.7,

#### *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: 99.3, Abstain: 0.0, Oppose/Withhold: 0.7,

### **MARFRIG GLOBAL FOODS S.A EGM - 08-04-2021**

#### *2. Approve Increase in Authorized Capital and Amend Article 6 Accordingly*

Authority is sought to increase the authorised share capital of the Company up to 50%. At this time, the company has not disclosed whether successive increases would be carried out with or without pre-emptive rights. As such, the aggregate authority may exceed recommended limits for issues with or without pre-emptive rights. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

#### *8. Adopt New Articles of Association*

This proposal is considered to be a technical item in order to publish a new version of the Articles, including the proposed amendments. Based on the concerns expressed on the proposals, opposition is recommended.

*Vote Cast: Oppose*

### **PTT EXPLORATION & PRODUCTION AGM - 08-04-2021**

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

State Audit Office of the Kingdom of Thailand (SAO) proposed. Non-audit fees represented 47.76% of audit fees during the year under review and 17.23% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is recommended.

*Vote Cast: Oppose*

#### *6.2. Elect Admiral Tanarat Ubol - Vice Chair (Non Executive)*

Non-Executive Director. Not considered independent due to his role as Army Officer, since the government is a major shareholder. There is insufficient independent representation on the Board. Opposition is recommended.

*Vote Cast: Oppose*

#### *6.3. Elect Pitipan Teparimargorn - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was executive in PTT Public Company Limited, the controlling shareholder. There is insufficient independent representation on the Board. Opposition is recommended.

*Vote Cast: Oppose*

#### *7. Transact Any Other Business*

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

*Vote Cast: Oppose*

### **MARFRIG GLOBAL FOODS S.A AGM - 08-04-2021**

#### *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*

#### *2. 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*

#### *3. 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*

#### *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*

#### *5.2. Percentage of Votes to Be Assigned - Elect Alain Emilie Henry Martinet 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*

#### *5.3. Percentage of Votes to Be Assigned - Elect Marcos Antonio Molina dos Santos 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*

#### *5.4. Percentage of Votes to Be Assigned - Elect Maria Aparecida Pascoal Marcal dos Santos 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*

#### *5.5. Percentage of Votes to Be Assigned - Elect Rodrigo Marcal Filho 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*

#### *5.6. Percentage of Votes to Be Assigned - Elect Antonio dos Santos Maciel Neto as Independent 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*

#### *5.7. Percentage of Votes to Be Assigned - Elect Herculano Anibal Alves as Independent Director*

This candidate is considered to be independent. However, due to concerns over potential aggregate time commitments and failure to demonstrate full attendance at board and committee meetings, abstention is recommended.

*Vote Cast: Abstain*

#### *6. Elect Fiscal Council Members*

It is proposed to appoint members of the Fiscal Council in a bundled election. In addition, the candidate Ricardo Florence dos Santos is not considered to be independent as he served as Chief Financial Officer of Marfrig Global Foods S.A. between 2013 and 2016. 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*

#### *7. 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 appoint members of the Fiscal Council in a bundled election. In addition, the candidate Ricardo Florence dos Santos is not considered to be independent as he served as Chief Financial Officer of Marfrig Global Foods S.A. between 2013 and 2016. 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*

#### *9. Approve Maximum Compensation*

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 71.4 million. Variable remuneration for executives would correspond to up to 860% 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*

#### **ELISA OYJ AGM - 08-04-2021**

##### *9. Discharge the Board of Directors and CEO*

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*

##### *10. Approve the Remuneration Report*

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

##### *15. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 0.00% of audit fees during the year under review and 39.96% 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*

##### *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*

## THE DRILLING CO. OF 1972 AGM - 08-04-2021

### *4. Approve the Remuneration Report*

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

### *7. Re-Elect Claus V. Hemmingsen - Chair (Non Executive)*

Non-Executive Chair. Not considered independent based on own assessment. There is sufficient independent representation on the Board. The director is chair of the remuneration committee and sits on the nomination committee, both of which are not sufficiently independent. There are also concerns over the director's potential aggregate time commitments, an abstain vote is recommended.

*Vote Cast: Abstain*

### *8.a. Re-Elect Robert M. Uggla - Vice Chair (Non Executive)*

Non-Executive Director. Not considered independent as he is chair of APMH Invest A/S, the controlling shareholder in the company. There is sufficient independent representation on the Board. The director is chair of the nomination committee and sits on the remuneration committee, both of which are not sufficiently independent. There are also concerns over the director's potential aggregate time commitments, an abstain vote is recommended.

*Vote Cast: Abstain*

### *9. Appoint the Auditors*

PwC proposed. Non-audit fees represented 5.88% of audit fees during the year under review and 40.74% 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*

### *10.a. Approve Issuance of up to 20 Percent of Share Capital without Preemptive Rights*

It is proposed to exclude pre-emption rights on shares issued under the previous resolution at this meeting. The corresponding authority for issuing shares without pre-emptive rights, requested in a previous proposal, exceeds guidelines (10%). Opposition is thus recommended.

*Vote Cast: Oppose*

**VESTAS WIND SYSTEMS AS AGM - 08-04-2021****2. *Adopt the Annual Report***

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the Annual Report.

Vote Cast: *Abstain*

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

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

It is proposed to approve the implementation of the remuneration report. 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: 93.1, Abstain: 0.6, Oppose/Withhold: 6.3,

**6.b. *Re-Elect Bert Nordberg - 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, as there is no Sustainability Committee, the Chair of the Board is considered accountable for the Company's Sustainability programme and the programme is not considered adequate to minimise the material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

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

**6.c. *Re-Elect Bruce Grant - 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: 99.1, Abstain: 0.9, Oppose/Withhold: 0.0,

**6.d. *Re-Elect Eva Merete Sofelde Berneke - 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: 96.4, Abstain: 3.6, Oppose/Withhold: 0.0,

**6.e. *Re-Elect Helle Thorning-Schmidt - 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: 96.3, Abstain: 3.7, Oppose/Withhold: 0.0,

#### 6.f. *Re-Elect Karl-Henrik Sundström - 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: 98.9, Abstain: 1.1, Oppose/Withhold: 0.0,

#### 7. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 33.33% of audit fees during the year under review and 55.56% 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*

Results: For: 89.6, Abstain: 10.4, Oppose/Withhold: 0.0,

#### 8.1. *Approve Guidelines for Incentive-Based Compensation for Executive Management and Board*

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. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 94.2, Abstain: 0.5, Oppose/Withhold: 5.3,

#### 8.6. *Pay Extraordinary Dividends*

It is proposed to allow the company to pay extraordinary dividends throughout the year. There is insufficient disclosure whether the dividends would be paid from earnings, retained earnings, or reserves. While the company states that the financial position of the company would be examined before paying dividends, it does not state in sufficient detail what financial state the company would have to be in in order to allow additional dividends. Abstain is recommended.

Vote Cast: *Abstain*

Results: For: 97.1, Abstain: 0.2, Oppose/Withhold: 2.7,

#### 8.7. *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 10% and 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: 96.2, Abstain: 0.0, Oppose/Withhold: 3.8,

## SCENTRE GROUP AGM - 08-04-2021

### *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.

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*

### *5. Approve Grant of Performance Rights to Peter Allen*

The Board is seeking shareholder approval for the purposes of ASX Listing Rule 10.14 for the grant of 1,467,353 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 3,100,000, which would correspond to 155% of the fixed salary. At this time, the Company has not fully disclosed performance targets in a quantified manner, making it impossible to assess whether the grant will award overpayment for underperformance.

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*

## ROYAL BANK OF CANADA AGM - 08-04-2021

### *1.4. Elect David F. Denison - Non-Executive Director*

Non-Executive Director and member of the Audit Committee. Not considered to be independent owing to a tenure of over nine years. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless of the independent representation on the Board as a whole, opposition is recommended, however since an oppose vote is not a valid vote for this resolution abstention is recommended.

*Vote Cast: Abstain*

### *1.7. Elect Kathleen P. Taylor - Chair (Non Executive)*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years. 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 oversight of the functioning of the Board. Being a Non-Independent Chair it is considered to be incompatible with this. Based on this rating, opposition is recommended, however since an oppose vote is not a valid vote for this resolution abstention is recommended.

*Vote Cast: Abstain*

## *2. Ratify PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 1.55% of audit fees during the year under review and 1.42% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Abstain*

## *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: ACA. Based on this rating, abstention is recommended, however since abstention is not a valid vote for this resolution opposition is recommended.

*Vote Cast: Oppose*

### **NOKIA OYJ AGM - 08-04-2021**

#### *10. Approve the Remuneration Report*

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*

#### *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*

### **VINCI AGM - 08-04-2021**

#### *O.6. 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: 98.1, Abstain: 0.5, Oppose/Withhold: 1.3,

#### *O.8. Approve Remuneration Policy*

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

Vote Cast: *Oppose*

Results: For: 96.1, Abstain: 1.4, Oppose/Withhold: 2.5,

#### *O.9. Approve the Remuneration Report*

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

Vote Cast: *Oppose*

Results: For: 96.2, Abstain: 0.5, Oppose/Withhold: 3.3,

#### *O.10. Approve the Remuneration Report of the Chair and CEO*

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

Vote Cast: *Oppose*

Results: For: 95.6, Abstain: 0.7, Oppose/Withhold: 3.6,

#### *O.11. Say on Climate*

It is proposed to adopt the Company's Environmental Transition Plan as part of the Say on Climate Initiative. There are not considered to be any serious concerns with company's environmental policies. The plan is considered to be an improvement on existing policies, and contains real carbon reduction and waste reduction targets, rather than only offsetting. The targets are considered to be sufficiently described and quantified. However, there does not appear to be any individual accountability for the policy, and the policy does not list the Chair and CEO to be individually responsible. Rather, the Executive Committee and the CSR committee hold collective responsibility, which is considered too general. Additionally, the company's targets are in line with a Plan to limit global warming to 2.0 degrees whereas setting targets in line with changes of 1.5 degrees or lower is considered to be best practice. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 96.6, Abstain: 1.6, Oppose/Withhold: 1.8,

#### *E.15. Issue Debt Securities in time of Public Offer*

Authority sought to issue debt securities granting access to equity securities with pre-emptive rights. The authorisation is limited to a number of ordinary shares with a nominal value amounting to 50% of the issued capital over a period of 26 months. However, the authority can be used in time of public offer. Opposition is recommended.

Vote Cast: *Oppose*

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

#### *E.16. Issue Debt Securities*

It is sought to issue all debt securities giving access to equity securities to be issued by the Company. The combined authority does not exceed 10% and does not take place in the context of a public offer. However, the authority exceeds 12 months. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.0, Abstain: 0.0, Oppose/Withhold: 8.0,

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

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

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

Vote Cast: *Oppose*

Results: For: 91.0, Abstain: 1.0, Oppose/Withhold: 8.0,

#### *E.18. Issue Shares for Cash*

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

Vote Cast: *Oppose*

Results: For: 96.4, Abstain: 0.0, Oppose/Withhold: 3.6,

### **CCR SA AGM - 08-04-2021**

#### *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. Elect Alternate Director*

It is proposed to elect Mauricio Neri Godoy as Alternate Director, which is not considered to be a best practice. An oppose vote is recommended.

*Vote Cast: Oppose*

### *5.2. Elect Adalgiso Fragoso de Faria as Fiscal Council Member and Marcelo de Andrade as Alternate*

It is proposed to appoint members of the Fiscal Council in a bundled election: Adalgiso Fragoso de Faria as standing member, Marcelo de Andrade as Alternate 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 Adalgiso Fragoso de Faria is not considered to be independent, as previously worked for the Company as Financial Planning Director. On this basis, opposition is recommended.

*Vote Cast: Oppose*

### *5.3. Elect Bruno Goncalves Siqueira as Fiscal Council Member and Daniel da Silva Alves as Alternate*

It is proposed to appoint members of the Fiscal Council in a bundled election: Bruno Goncalves Siqueira as standing member and Daniel da Silva Alves 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. All candidates are not considered to be independent, as considered connected with a significant shareholder: Andrade Gutierrez Participações S.A, Bruno Goncalves is Superintendent of Controlling and Daniel da Silva is the Group Accounts Coordinator. On this basis, opposition is recommended.

*Vote Cast: Oppose*

### *6. Approve Maximum Compensation for Directors and Management*

It is proposed to approve the maximum compensation for Directors and Management 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 receive only fixed fees. For Management, it is proposed to cap remuneration at BRL 29.6 million. Variable remuneration for executives would correspond to up to 188% 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*

## **FERROVIAL S.A. AGM - 08-04-2021**

### *1.1. Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the

Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the financial statements.

Vote Cast: *Abstain*

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

### 1.2. *Approve Non-Financial Information Statement*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the Annual Report.

Vote Cast: *Abstain*

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

### 3. *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. 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, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

### 7.1. *Advisory Vote on Company's Greenhouse Gas Emissions Reduction Plan*

It is proposed to approve the Company's Greenhouse Gas Emissions Reduction Plan as part of the Say on Climate initiative. The plan is considered to be an improvement on existing policies, and contains real carbon reduction and waste reduction targets, rather than only offsetting. The targets are considered to be sufficiently described and quantified. However, there does not appear to be any individual accountability for the policy, and the policy does not list the Chair and CEO to be ensuring execution and accountability. Rather, the Company Management and the Sustainability committee hold collective responsibility, which is considered too general. Additionally, the companies targets are in line with a Plan to limit global warming to 2.0 degrees, whereas setting targets in line with changes of 1.5 degrees or lower is considered to be best practice. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 96.6, Abstain: 2.8, Oppose/Withhold: 0.6,

### 8. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 84.4, Abstain: 0.5, Oppose/Withhold: 15.1,

### 9. *Advisory vote on Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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: 82.1, Abstain: 2.8, Oppose/Withhold: 15.1,

### **JERONIMO MARTINS SGPS SA AGM - 08-04-2021**

#### *1. Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the Annual Report.

Vote Cast: *Abstain*

#### *3. Appraise Management and Supervision of Company and Approve Vote of Confidence to Corporate Bodies*

During the year, the company has received two fines from two competition authorities (Poland and Portugal) for unfair competition practice, which raises concerns over the capacity of the company to perform appropriate stakeholder management and create a sustainable reputation along the supply chain as well as customers. The media reported those in December 2020, and the Company has indicated to the Polish and Portuguese press its arguments and states that will appeal the decision. In regard of those corporate concerns, an abstain vote is recommended.

Vote Cast: *Abstain*

#### *4. Approve Remuneration Policy*

It is proposed to approve the Statement of the remuneration committee on 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*

### **UBS GROUP AG AGM - 08-04-2021**

#### *2. Advisory vote on the remuneration report*

It is proposed to approve the implementation of the remuneration report. 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: 85.7, Abstain: 1.0, Oppose/Withhold: 13.3,

#### 4. *Discharge the 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*

Results: For: 91.4, Abstain: 3.4, Oppose/Withhold: 5.2,

#### 5.3. *Re-Elect William C. Dudley - Non-Executive Director*

Independent Non Executive Director. Member of the Corporate Culture and Responsibility Committee and failed to make an adequate statement regarding Hikvision NCP issue. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.4, Oppose/Withhold: 0.6,

#### 5.6. *Re-Elect Mark Hughes - Non-Executive Director*

Independent Non Executive Director. Member of the Corporate Culture and Responsibility Committee and failed to make an adequate statement regarding Hikvision NCP issue. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.4, Oppose/Withhold: 0.6,

#### 5.10. *Re-Elect Jeanette Wong - Non-Executive Director*

Independent Non Executive Director. Member of the Corporate Culture and Responsibility Committee and failed to make an adequate statement regarding Hikvision NCP issue. 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. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.4, Oppose/Withhold: 0.9,

#### 7.2. *Elect Remuneration Committee: Reto Francioni*

This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 94.0, Abstain: 0.6, Oppose/Withhold: 5.4,

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

It is proposed to approve the cap of the variable compensation component of executive remuneration in the amount of CHF 85.3 Million. This appears to be consistently

capped, but excessive, which is not 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 over payment against under performance. On balance, abstention is recommended.

Vote Cast: *Oppose*

Results: For: 84.8, Abstain: 0.5, Oppose/Withhold: 14.8,

#### 9.2. *Appoint the Auditors*

EY proposed. Non-audit fees represented 1.89% of audit fees during the year under review and 4.99% 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,

#### 12. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% and until the 2024 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: 93.2, Abstain: 0.6, Oppose/Withhold: 6.2,

### **KASIKORNBANK PCL AGM - 09-04-2021**

#### 4.1. *Re-elect Kobkarn Wattanavrangkul - Chair (Non Executive)*

Independent Non-Executive Chair. 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*

#### 4.2. *Re-elect Sujitpan Lamsam - Vice Chair (Non Executive)*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. In addition, she is the aunt of Banthoon Lamsam and Mr. Sara Lamsam. There is sufficient independent representation on the Board.

Vote Cast: *Abstain*

#### 5. *Elect Suroj Lamsam - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has close family ties with the Company, as relative of Sara Lamsam, Non Executive Director, Sujitpan Lamsam, Vice Chair, and Banthoon Lamsam. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### *7. Approve Remuneration of Directors*

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. Approve KPMG Phoomchai Audit Limited as Auditors and Authorize Board to Fix Their Remuneration*

KPMG proposed. Non-audit fees represented 75.04% of audit fees during the year under review and 35.43% 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 ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

#### *10. 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*

### **P/F BAKKAFROST HOLDING AGM - 09-04-2021**

#### *5.1. Re-elect Johannes Jensen - 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*

#### *6. Re-elect Runi M. Hansen - 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*

#### *8.1. Elect Nomination Committee: Leif Eriksrød*

Leif Eriksrød is proposed as candidate to the Nomination Committee on this resolution. It is considered that the Nomination Committee should consist exclusively of independent members. The independence of candidate cannot be determined due to a lack of biographical disclosure. Opposition is recommended.

Vote Cast: *Oppose*

#### 10. *Appoint the Auditors: P/F Januar*

P/F Januar proposed. Non-audit fees represented 33.68% of audit fees during the year under review and 30.01% 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*

#### 11. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. It is not disclosed as to whether variable remuneration is 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*

#### 5.2. *Re-elect Teitur Samuelson - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he has been Financial Manager at the Company for the period 2009-2014 and was on the Board at the Marine Department in Tryggingarfelagið Føroyar, with which the Company had related party transactions. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### 5.3. *Re-elect Annika Frederiksberg - Non-Executive Director*

Non-Executive Director. Not considered to be independent as she is the Sales Manager at Bakkafrost. Additionally, she has been on the board for over nine years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### 8.2. *Elect Nomination Committee: Eydun Rasmussen*

Eydun Rasmussen is proposed as candidate to the Nomination Committee on this resolution. It is considered that the Nomination Committee should consist exclusively of independent members. The independence of candidate cannot be determined due to a lack of biographical disclosure. Opposition is recommended.

*Vote Cast: Oppose*

#### 8.3. *Elect Nomination Committee: Gunnar I Lida*

Gunnar I Lida is proposed as candidate to the Nomination Committee on this resolution. It is considered that the Nomination Committee should consist exclusively of independent members. The independence of candidate cannot be determined due to a lack of biographical disclosure. Opposition is recommended.

*Vote Cast: Oppose*

## RIO TINTO PLC AGM - 09-04-2021

### 1. *Receive the Annual Report*

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

Vote Cast: *Oppose*

### 2. *Approve Remuneration Policy*

**Policy Rating: CDC** Changes proposed: i) Pension benefit reduced to 14% of base salary for new appointments to align more closely with the broader employee population, ii) Benefits: Company car or car allowance to be removed for new appointments, iii) Short Term Incentive(STI): a) Removal of 1.2 multiplier, b) Introduction of an ESG component with a 15% weighting, c) Extended the malus and clawback provisions to include material impacts on the social license to operate and, d) Reduce the payment at threshold to zero and balance the range between threshold and outstanding, removing the cliff edge effect of the current Policy. iv) Long-Term Incentive award(LTIP): a) Maximum LTIP award to be reduced to 400%, b) Extended the malus and clawback provisions to include material impacts on the social license to operate, c) TSR to remain a key performance metric. v) Executive directors will be required to retain their minimum shareholding (or their holding on termination, if lower) for two years after leaving the Group.

Total potential variable pay could represent up to 600% of salary and is considered excessive since is higher than 200%. Concerns are raised by the Performance Share Plan, since 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. Furthermore, the performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. Performance period is five year which is in line with best practice. Malus and claw back provisions apply for all variable pay.

Vote Cast: *Oppose*

### 3. *Approve Remuneration Report for UK Law Purposes*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary is in line with the workforce, as the increase in CEO salary was 2% and the increase for the Australia's workforce was 4%. The CEO's salary is in the median of PIRC's comparator group.

**Balance:**The balance of CEO realized total pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. The CEO's realized variable pay is considered excessive at approximately 310% of his salary, it is noted that no Annual Bonus was awarded for the year under review,(Annual Bonus: 0 : LTIP: 310%) The ratio of CEO to average employee pay has been estimated and is found acceptable at 19:1.

Rating: AB. The former CEO of the company resigned after the explosion of the aboriginal cave, however, he received termination benefits which is not considered appropriate. Overall opposition is recommended.

Vote Cast: *Oppose*

#### *4. Approve Remuneration Report for Australian Law Purposes*

In accordance with Section 250R of the Australian Corporations Act, the directors are seeking approval of the remuneration report. The Act does not require directors to act on approval of the resolution and the vote is advisory.

The maximum potential award under all the incentive schemes is 600% of salary which is highly excessive. The current variable pay of the CEO is also deemed excessive at approximately 310% of salary. There are concerns over features of the Long Term Incentives (LTI) plan as no non-financial performance metrics are in use and the performance conditions do not operate interdependently. However, the company states non-financial metrics have been developed and will be considered. 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*

#### *5. Re-elect Megan Clark - Non-Executive Director*

Independent Non-Executive Director and Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

*Vote Cast: Oppose*

#### *8. Re-elect Sam Laidlaw - Senior Independent Director*

Senior Independent Director and Chair of the remuneration committee. As the company awarded termination benefits to the CEO after his resignation due to the explosion of the aboriginal cave, opposition is recommended.

*Vote Cast: Oppose*

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

Chair. Independent upon appointment. 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. In addition, the Chair of the Board has the overall oversight for the sustainability policies of the company. As such, given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

*Vote Cast: Oppose*

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

KPMG proposed. Non-audit fees represented 13.29% of audit fees during the year under review and 10.52% 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 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*

#### *21. 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: 79.6, Abstain: 0.2, Oppose/Withhold: 20.2,*

### **TELIA COMPANY AB AGM - 12-04-2021**

#### *10. 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*

#### *13.1. Re-elect Ingrid Bonde - Vice 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.

*Vote Cast: Abstain*

#### *13.5. Re-elect Jeanette Jäger - 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*

### *13.6. Re-elect Nina Linander - 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*

### *17. Ratify Deloitte as Auditors*

Deloitte proposed. Non-audit fees represented 5.26% of audit fees during the year under review and 5.14% 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 five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Abstention is recommended.

*Vote Cast: Abstain*

### *19. Authorize Share Repurchase Program and Reissuance of Repurchased Shares*

It is proposed to authorize the Board to purchase Company's shares for 10% 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. In addition the Board request authority to transfer of own shares, with or without deviation from the shareholders' preferential rights. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

### *20a. Approve Performance Share Program 2021/2024 for Key Employees*

The Board proposes the approval of a new long-term incentive plan. Under the plan, a number of key employees, excluded Group Executive Management team members, will be awarded rights to shares, a portion (or all) of which will vest depending on the achievement of some performance criteria. Performance criteria are Return on Capital Employed (ROCE), EBITDA and TSR. The the weighting of the performance targets is changed to 25% EBITDA, 50% TSR and 25% ROCE. However, as in past LTIPs, the targets are not quantified and it is unclear whether and how they work interdependently. In addition, there are no non-financial performance measures attached to the performance share program 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.

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. Opposition is recommended.

*Vote Cast: Oppose*

### *20b. Approve Equity Plan Financing Through Transfer of Shares*

It is proposed to fund the 2021/2024 Performance Share Plan with treasury shares. Under the plan, a number of key employees, excluded Group Executive Management



team members, 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 are ROCE (25%) EBITDA (25%) and TSR(50%) Although companies have a legal duty to fund approved plans, this resolution is considered to be a proposal enabling the PSP proposed. Based on the concerns on the resolution for the approval of the PSP, opposition is recommended also on this resolution.

*Vote Cast: Oppose*

#### *21. Shareholder Resolution: Approve 1:3 Reverse Stock Split*

Shareholder: Oliver Brown proposes a reversed split of the Telia Company share whereby three existing shares of the company will be consolidated into one share (1:3 reversed share split). The reversed split shall be done in order to enable increased (i) trading in the share, (ii) respect for the share, (iii) earnings per share and (iv) dividend per share. No sufficient information has been disclosed on the initiative to which the proposal refers. There is no actual demonstration that such a measure would increase earnings or dividend per share. Opposition is recommended.

*Vote Cast: Oppose*

### **JARDINE STRATEGIC HLDGS LTD EGM - 12-04-2021**

#### *2. 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*

### **BANGKOK BANK PCL AGM - 12-04-2021**

#### *7. Ratify Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as Auditors and Authorize Board to Fix Their Remuneration*

Deloitte proposed. Non-audit fees represented 6.81% of audit fees during the year under review and 15.39% 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*

#### *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*

## CINEWORLD GROUP PLC EGM - 12-04-2021

### *1. Approve Temporary Suspension of the Borrowing Limit in the Articles of Association*

The board is seeking shareholder approval for the temporary suspension of the borrowing limit in the Articles of Association. The company announced it has secured binding commitments from the group of leading institutional investors for a new USD 213 million convertible bond due 2025 (the "Bond"). It is noted the net proceeds of the issue of the bond will provide further liquidity for the group in the event of continued disruption as a result of COVID-19. The company states that the Bond, together with the expected US CARES Act tax refund, will provide the group with a liquidity runway to year-end in the event that cinemas are closed.

#### **Convertible Bonds:**

It is also noted the Bond will carry a coupon of 7.5% per annum and will be convertible into ordinary shares of the group. The initial conversion price has been set at USD 1.7620 per share equating to GBP 1.2850 per share based on a USD : GBP FX rate of 0.7293 representing a premium of 25% above the closing price per Cineworld share on 24 March 2021 (being the last business day prior to the date of the announcement). The company states that the raising by the group of any additional debt (including the proposed Bond) will be subject to shareholders approval.

#### **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, there is an insufficient balance of independence on the board which fails to provide assurance that the decision was taken with appropriate independence and objectivity. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.0, Oppose/Withhold: 1.3,

## SWEDISH MATCH AB AGM - 13-04-2021

### *7. Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

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

### *9.A. Discharge the Board Member: Charles A. Blixt*

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*

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

### *12.d. Elect Conny Karlsson - Chair (Non Executive)*

Non-Executive Chair. The director is not considered independent owing to a tenure of more than nine years. It is considered against good practice that the chair of the board is not independent, opposition is therefore recommended.

Vote Cast: *Oppose*

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

*12.i. Re-Elect Conny Karlsson as Chair (Non Executive) of the Board*

Non Executive Chair. Not considered independent owing to a tenure of more than nine years. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.1, Abstain: 0.0, Oppose/Withhold: 3.9,

*12.j. Re-Elect Andrew Cripps as Vice Chair (Non Executive) of the Board.*

Non-Executive Vice Chair. Not considered independent owing to a tenure of more than nine years. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.0, Oppose/Withhold: 2.2,

*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*

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

*18. Resolution on the Transfer of Own Shares on the Account of Company Acquisitions*

Standard Proposal. It is proposed to authorise the board to transfer company's own shares, on one or several occasions prior to the next Annual General Meeting. The shares may only be transferred in conjunction with the financing of company acquisitions and other types of strategic investments and acquisitions, and the transfers may not exceed the maximum number of treasury shares held by the company at any given time. Transfer of own shares can also be made in another manner in conjunction with the acquisition of companies or operations, where transfer of own shares may be made with deviation from the shareholders' preferential rights. Payment for shares transferred in this manner may be made in cash or through a non-cash issue or offsetting of claims against the company, or on other specific terms. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

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

*9.B. Discharge the Board Member: Andrew Cripps*

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*

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

*9.D. Discharge the Board Member: Conny Carlsson*

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*

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

*9.L . Discharge the President: Lars Dahlgreen*

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*

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

*9.E. Discharge the Board Member: Alexander Lacik*

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*

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

*9.C. Discharge the Board: Jacqueline Hoogerbrugge*

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*

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

*9.G. Discharge the Board Member: Wenche Rolfsen*

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*

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

*9.K. Discharge the Board Member: Dragan Popovic*

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*

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

*9.H. Discharge the Board Member: Joakim Westh*

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*

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

#### 9.J. *Discharge the Board Member: Par-Ola Olausson*

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*

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

#### 9.I. *Discharge the Board Member: Patrik Engelbrektsson*

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*

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

#### 9.F. *Discharge the Board Member: Pauline Lindwall*

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*

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

### **BANK OF NOVA SCOTIA AGM - 13-04-2021**

#### 1.8. *Elect Aaron W. Regent - Chair*

Non-Executive Chair of the Board. The chair holds another chair position at a listed company, which raises time commitment concerns. It is considered that the chair should be able to wholly dedicate their time to the company in times of company crisis. The COVID pandemic has shown that there are times when multiple unrelated companies will require the Chair's full attention in order to be able to handle times of crisis. It is considered that there is insufficient time to be able to effectively chair two or more companies at the same time. For this reason, abstention is recommended.

Vote Cast: *Abstain*

#### 1.10. *Elect Susan L. Segal - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted the director is a member of the audit committee which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

*Vote Cast: Oppose*

### *2. Ratify KPMG LLP as Auditors*

KPMG proposed. Non-audit fees represented 1.17% of audit fees during the year under review and 1.38% 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*

### *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: BCB. Based on this rating, an abstain vote is recommended.

*Vote Cast: Abstain*

## **DOMETIC GROUP AB AGM - 13-04-2021**

### *9.1. 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*

### *10.1. Elect Fredrik Cappelen - Chair (Non Executive)*

Non Executive Chair. Not considered independent as the director is considered to be connected with a significant shareholder: Carnegie Funds. As such, opposition is recommended.

*Vote Cast: Oppose*

### *10.9. Re-Elect Fredrik Cappelen - Chair (Non Executive)*

Non-Executive Chair. Not considered independent as the director is considered to be connected with a significant shareholder: Carnegie Funds. There are concerns over the director's potential aggregate time commitments.

*Vote Cast: Oppose*

### *11. Appoint the Auditors*

PwC proposed. Non-audit fees represented 40.00% of audit fees during the year under review and 32.14% 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*

### *13. Approve the Remuneration Report*

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

*Vote Cast: Oppose*

### *10.2. Elect Erik Olsson - 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*

## **SAAB AB AGM - 13-04-2021**

### *11.c. Re-elect Danica Kragic Jensfelt - 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.d. Re-elect Sara Mazur - Non-Executive Director*

Non-Executive Director. Not considered independent as she is the Director of Strategic Research, Knut and Alice Wallenberg Foundation and a Board member of Investor AB, both are significant shareholders of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *11.f. Re-elect Daniel Nodhäll - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be Head of Investor AB, a significant shareholder of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*11.h. Re-elect Cecilia Stego Chilo - 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*

*11.i. Re-elect Erika Söderberg Johnson - 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.k. Re-elect Joakim Westh - 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*

*11.l. Re-elect Marcus Wallenberg as Board Chair*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years. In addition, he is not considered to be independent as he is a member of the Board of Knut and Alice Wallenberg Foundation and Investor AB which both hold significant stake of the Company's voting rights. It is considered best practice that the chair should be wholly independent.

*Vote Cast: Oppose*

*12. Appoint the Auditors*

PwC proposed. Non-audit fees represented 5.00% of audit fees during the year under review and 9.52% 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*

*13. Approve the Remuneration Report*

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

*Vote Cast: Oppose*



#### *14. Approve Remuneration Policy And Other Terms of Employment For Executive Management*

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*

#### *15.a. Approve New Long Term Incentive Plan*

The Board of Directors proposes that the Annual General Meeting resolves on a Share Matching Plan 2022, Performance Share Plan 2022 and Special Projects Incentive 2022 all referred to as (LTI 2022). All permanent employees within the Saab Group, including employees who are covered by Performance Share Plan 2022 and/or Special Projects Incentive 2022. Only up to a maximum of 5% of base salary can be contributed. The purchased shares are retained by the employee for three years from the date of investment and employment with the Group has not been terminated during the three-year period. The conditions for the performance matching are based on three independent targets: organic sales growth, EBIT margin and free cash flow. The Board of Directors will resolve on the outcome of the performance matching after the end of the one-year performance measuring period, i.e. the financial year 2021.

The Company has bundled an all employee scheme and an incentive plan for selected employees, as these should abide by different rules and guidelines. Employees' participation in the company's success is welcomed. However, the Performance Share Programme has a short term performance period and unquantified performance targets, which raises concerns over the discretion that may be used by the Remuneration Committee. LTIPs are not considered as 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. It is noted a share matching component is attached to the LTIP. The matching share component of the LTIP applies the same performance measures which potentially rewards executives twice for achieving the same outcomes and is, therefore, considered to be inappropriate. This introduces a level of complexity which precludes straightforward assessment of the criteria applicable to outstanding awards. Opposition is recommended.

*Vote Cast: Oppose*

#### *15.b. Approve Equity Plan Financing*

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*

#### *15.c. Approve Third Party Swap Agreement as Alternative Equity Plan Financing*

The Board seeks shareholder approval on entering into an equity swap agreement with a third party on terms and conditions in accordance with market practice, whereby the third party in its own name shall acquire and transfer shares of series B in Saab to employees who participate in LTI 2022 and the Special Projects Incentive Plan. This is considered to be an enabling proposal to the proposed LTIP 2022 and as such, opposition is recommended also on this resolution.

*Vote Cast: Oppose*

#### 16.a. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% and 12 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*

#### 16.b. *Authorize Reissuance of Repurchased Shares*

The Board seeks Shareholder's approval on transfer of its own' shares in connection with or as a result of any acquisition of companies. The sought authority is not requested for a specific planned transaction and the Board will maintain full discretion on the destination of the repurchased shares. Opposition is recommended.

Vote Cast: *Oppose*

### **GLOBAL DOMINION ACCESS, S.A. AGM - 13-04-2021**

#### 6. *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. 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*

#### 8. *Re-appoint the Auditors: PricewaterhouseCoopers*

PwC proposed. Non-audit fees represented 9.25% of audit fees during the year under review and 11.71% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

#### 9. *Amend Share Appreciation Rights Plan*

It is proposed to empower the Board of Directors to extend the term of the incentive for an additional maximum period of two financial years for beneficiary directors. There are concerns with the 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*

#### *10. Annual Maximum Remuneration*

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*

#### *11. 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, 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 reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

#### *12. Adopt New Articles of Association*

This proposal is considered to be a technical item in order to publish a new version of the Articles, including the proposed amendments. Based on the concerns expressed on the proposals, opposition is recommended.

*Vote Cast: Oppose*

### **SUBSEA 7 SA EGM - 14-04-2021**

#### *1. Renewal of authorisation for a period of two years to the Board of Directors to issue new shares and to limit or suppress preferential subscription rights, for up to 10% of the issued share capital*

The Board seeks the authority to issue shares with and without pre-emptive rights. The authority exceeds recommended limits, and as a result there are concerns about the dilution of shareholder holdings. For this reason, opposition is recommended.

*Vote Cast: Oppose*

#### *2. Authorization to the Board to repurchase shares and to cancel such repurchased shares by way of share capital reduction.*

It is proposed to grant authority to the company's Board to repurchase shares up to a maximum of thirty million (30,000,000) Common Shares being 10% of the issued share capital. 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*

## **SSAB (SVENSKT STAL AB) AGM - 14-04-2021**

### *7.c5. Discharge of Bengt Kjell*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

Vote Cast: *Oppose*

### *7.c1. Approve Discharge of Bo Annvik*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

Vote Cast: *Oppose*

### *7.c4. Approve discharge of Marie Gronborg*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

Vote Cast: *Oppose*

### *7.c3. Discharge of Marika Fredriksson*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

Vote Cast: *Oppose*

### *7.c2. Approve discharge of Petra Einarsson*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing

Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c6. Discharge of Pasi Laine*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c7. Discharge of Martin Lindqvist*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c8. Discharge of Annareetta Lumme-Timonen*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c9. Discharge of Matti Lievonen*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c10. Discharge of Sture Bergvall*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing

Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c11. Discharge of Tomas Karlsson*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c12. Discharge of Patrick Sjöholm*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c13. Discharge of Mikael Henriksson*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c14. Discharge of Tomas Jansson*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c15. Discharge of Tomas Westman*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing

Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *10.c. Elect Marie Grönborg*

Independent Non-Executive Director, Member 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, and abstention to the election of the Chair of the Committee is recommended to signal this concern.

*Vote Cast: Oppose*

#### *10.d. Elect Bengt Kjell*

Chair (Non Executive) and member of the Audit Committee. Not considered to be independent as Not considered to be independent as he was CEO of the major shareholder, Industrivarden, and is currently on its board of directors. There are concerns over his potential aggregate time commitments. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *10.g. Elect Annareetta Lumme-Timonen*

Non-Executive Director and member of the Audit Committee. Not considered independent as the director is considered to be connected with Solidium Oy which is a significant shareholder of the company. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *11. Elect Bengt Kjell*

Chair (Non Executive) and member of the Audit Committee. Not considered to be independent as Not considered to be independent as he was CEO of the major shareholder, Industrivarden, and is currently on its board of directors. There are concerns over his potential aggregate time commitments. . It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *13. 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*

## **HUSQVARNA AB AGM - 14-04-2021**

### *7.b. Approve the Dividend*

It is proposed to distribute SEK 2.40 per share from reserves, including share premium. Although legal in this market, it is considered that the share premium account should be moved into distributable reserves through a reduction of capital, and it should not be used as distributable reserve per se. As the Company proposes a direct distribution from the share premium account, opposition is recommended.

*Vote Cast: Oppose*

### *9. Approve Remuneration of Directors in the Amount of SEK 2.08 Million to Chairman and SEK 600,000 to Other Directors; Approve Remuneration for Committee Work; Approve Meeting Fees*

It is proposed to increase the amount payable to the Board of Directors by less than 10% on annual basis. Within recommended guidelines. However, it is proposed to increase the amount payable to the Audit Committee members and chair 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*

### *10.a1. Elect Tom Johnstone*

Chair (Non Executive). Not considered to be independent as he is a Board member of Investor AB which owns a significant percentage of the Company's voting rights. There is insufficient independence representation on the Board.

*Vote Cast: Oppose*

### *10.a2. Elect Katarina Martinson*

Non-Executive Director and member of the Audit Committee. Not considered to be independent as she has worked in portfolio management for the Lundberg family since 2009. LE Lundbergföretagen holds a significant percentage of the Company's voting rights. Additionally, she has been on the board for over nine years. There are concerns over her aggregate external time commitments. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

### *10.a4. Elect Daniel Nodhäll*

Non-Executive Director and member of the Audit Committee. Not considered to be independent as he was Managing Director, Head of Listed Core Investments at Investor AB, which owns a significant percentage of the Company's voting rights. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.



*Vote Cast: Oppose*

*10.a5. Elect Lars Pettersson*

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

*Vote Cast: Oppose*

*10.a7. Elect Henric Andersson*

Chief Executive. This Director has an attendance record of less than 90% for both Board meetings which they were eligible to attend during the year. An oppose vote is therefore recommended.

*Vote Cast: Oppose*

*10.b. Elect Tom Johnstone as Chair*

Chair (Non Executive). Proposed as Chair on this resolution. Not considered to be independent as he is a Board member of Investor AB which owns a significant percentage of the Company's voting rights. There is insufficient independent representation on the Board. An oppose vote is therefore recommended.

*Vote Cast: Oppose*

*12. Approve the Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. There are excessiveness concerns as the total variable remuneration may exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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. Approve Remuneration Policy And Other Terms of Employment For Executive Management*

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. Opposition is recommended based on potential excessive variable remuneration.

*Vote Cast: Oppose*

*14. Approve Performance Share Incentive Program LTI 2021*

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*

#### *15. Approve Equity Plan Financing*

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*

#### *10.a8. Elect Ingrid Bonde*

Independent Non-Executive Director. There are concerns over the director's potential time commitments.

*Vote Cast: Abstain*

### **KONINKLIJKE BAM GROEP NV AGM - 14-04-2021**

#### *2.b. Approve Application of Remuneration Policy for Executive Board*

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

*Vote Cast: Oppose*

#### *6.a. Amend Remuneration Policy for Executive Board Regarding the Objectives of the Long Term Incentive*

The Supervisory Board intends to further align the objectives of the long term incentive for the Executive Board with the objectives of the new BAM strategy. De facto the objective "Return on Capital Employed" will be replaced by the objective "Adjusted EBITDA", which continues to account for one third of the vesting of conditionally awarded performance shares. This replacement on the company's performance objective is not considered to be best practice as it will implicate the use of adjusted performance measures. Opposition is recommended.

*Vote Cast: Oppose*

#### *6.b. Amend Remuneration Policy for Executive Board Regarding the Removal of TSR Circuit Breaker and Vesting Cap from the Long Term Incentive*

To further align with market standards, the Supervisory Board intends to no longer operate the TSR objective as a 'circuit breaker' for the vesting linked to the other two performance objectives. TSR will remain unaltered as objective accounting for one third of the vesting of conditionally awarded performance shares. It is considered to be best practice that performance targets should be interdependently linked. With this amendment it will be allowed payments for underperformance more than the previous system. Opposition is recommended.

Vote Cast: *Oppose*

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

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

Vote Cast: *Oppose*

#### *9. 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*

### **SMITH & NEPHEW PLC AGM - 14-04-2021**

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

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

Vote Cast: *Abstain*

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

#### *11. Re-elect Marc Owen - Non-Executive Director*

Independent Non-Executive Director. Responsible for sustainability issues at the company. As he 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: 87.5, Abstain: 0.8, Oppose/Withhold: 11.6,

### 12. *Re-elect Roberto Quarta - Chair*

Chair of the board. 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: 91.2, Abstain: 0.6, Oppose/Withhold: 8.2,

### 15. *Re-appoint KPMG LLP as Auditors*

KPMG proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. The current auditor has been in place for more than 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 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: 0.0, Oppose/Withhold: 0.6,

### 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: 94.8, Abstain: 0.1, Oppose/Withhold: 5.1,

### 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: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,

## **SUBSEA 7 SA AGM - 14-04-2021**

### *6. Re-appoint the Auditors: Ernst & Young S.A.*

EY proposed. No non-audit fees during the year under review and 4.17% 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.

Vote Cast: *Abstain*

## **AIRBUS SE AGM - 14-04-2021**

### *4.2. Discharge the Board of Directors*

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*

Results: For: 99.0, Abstain: 0.4, Oppose/Withhold: 0.6,

### *4.3. Discharge the Executive Board Members*

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*

Results: For: 99.0, Abstain: 0.4, Oppose/Withhold: 0.6,

### *4.5. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 71.2, Abstain: 21.5, Oppose/Withhold: 7.3,

### *4.10. Issuance of Shares for Existing Incentive Plan*

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 and implemented in the future: thus, opposition is recommended based on the concerns identified on the proposed incentive plan.

Vote Cast: *Oppose*

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

#### 4.12. *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: 98.7, Abstain: 0.0, Oppose/Withhold: 1.3,

### **JULIUS BAER GRUPPE AG AGM - 14-04-2021**

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

It is proposed to approve the implementation of the remuneration report. 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: 85.6, Abstain: 3.6, Oppose/Withhold: 10.9,

#### 3. *Discharge of the members of the Board of Directors and of the Executive 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*

Results: For: 86.5, Abstain: 6.3, Oppose/Withhold: 7.2,

#### 4.2.1. *Aggregate amount of variable cash-based compensation elements for the completed financial year 2020*

It is proposed to approve the cash based variable remuneration for the financial year 2020 for executives, corresponding to CHF 11,647,205 million. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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: 92.2, Abstain: 3.7, Oppose/Withhold: 4.1,

#### *4.2.2. Aggregate amount of variable share-based compensation elements that are allocated in the current financial year 2021*

It is proposed to approve the share based variable remuneration for the financial year 2021 for executives, corresponding to CHF 11,495,201 million. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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: 89.9, Abstain: 3.7, Oppose/Withhold: 6.3,

#### *6. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 24.59% of audit fees during the year under review and 22.14% 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: 90.2, Abstain: 3.7, Oppose/Withhold: 6.0,

#### *10. 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*

### **RAMAYANA LESTARI SENTOSA TBK EGM - 14-04-2021**

#### *1. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 5% 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*

### **ULTRAPAR PARTICIPACOES SA AGM - 14-04-2021**

#### *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*

*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 Alexandre Teixeira de Assumpcao Saigh 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 Flavia Buarque de Almeida as Independent Director*

This candidate is considered to be independent. However, due to concerns over potential aggregate time commitments and failure to demonstrate full attendance at board and committee meetings, abstention is recommended.

*Vote Cast: Abstain*

*7.6. Percentage of Votes to Be Assigned - Elect Jose Luiz Alqueres as Independent Director*

This candidate is considered to be independent. However, due to concerns over potential aggregate time commitments and failure to demonstrate full attendance at board and committee meetings, abstention is recommended.

*Vote Cast: Abstain*

*7.7. Percentage of Votes to Be Assigned - Elect Jose Mauricio Pereira Coelho as Independent Director*

This candidate is considered to be independent. However, due to concerns over potential aggregate time commitments and failure to demonstrate full attendance at board and committee meetings, abstention is recommended.

*Vote Cast: Abstain*

*7.8. Percentage of Votes to Be Assigned - Elect Lucio de Castro Andrade Filho 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*



#### *7.9. Percentage of Votes to Be Assigned - Elect Marcos Marinho Lutz 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*

#### *7.10. Percentage of Votes to Be Assigned - Elect Otavio Lopes Castello Branco Neto 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*

#### *7.11. Percentage of Votes to Be Assigned - Elect Pedro Wongtschowski 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*

### *8. Approve Management Global Compensation*

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 66 million. Variable remuneration for executives would correspond to up to 316% 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*

#### *9.1. Elect Flavio Cesar Maia Luz as Fiscal Council Member and Marcio Augustus Ribeiro as Alternate*

It is proposed to appoint members of the Fiscal Council in a bundled election: Flavio Cesar Maia Luz as standing member, Marcio Augustus Ribeiro 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 Marcio Augustus Ribeiro is not considered to be independent, owing to a tenure of over nine years on the Fiscal Council. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *9.2. Elect Geraldo Toffanello as Fiscal Council Member and Pedro Ozires Predeus as Alternate*

It is proposed to appoint members of the Fiscal Council in a bundled election: Geraldo Toffanello as standing member, Pedro Ozires Predeus 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 Pedro Ozires Predeus is not considered to be independent, as owing to a tenure of over nine years on the Board of Fiscal Council. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *10. 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*

### **COMPANIA CERVECERIAS UNIDAS AGM - 14-04-2021**

#### *2. 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. 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*

#### *5. Elect Board: Slate Election*

Election of directors is bundled in one resolution. Although slate elections are not considered to be best practice, they are common in this market. Regardless of the independent representation on the board, full biographical disclosure for the candidates has not been provided at this time, preventing from providing an informed assessment. This is considered a serious lack of disclosure and an oppose vote is recommended.

*Vote Cast: Oppose*

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

It is proposed to approve the amount of the variable compensation payable to the Board of Directors. 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*

#### *7. Approve Fees Payable to the Board of Directors Committees*

It is proposed to approve the amount of the variable compensation payable to the Board of Directors. 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*

#### *9. Appoint the Auditors*

PwC proposed. An adequate break-down of the nature of non-audit fees is not provided, which makes the assessment of auditor's independence based on the non-audit fee impossible. The date of appointment of the auditor is not disclosed, meaning that there are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. The proposed risk assessment companies have not been disclosed at this time. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *13. 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*

### **KONINKLIJKE (ROYAL) KPN NV AGM - 14-04-2021**

#### *4. Advisory Vote on the Remuneration Report*

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

#### *7. Discharge the 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*

#### *8. Discharge the Supervisory 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*

#### *9. Appoint the Auditors*

EY proposed. Non-audit fees represented 2.78% of audit fees during the year under review and 4.42% on a three-year aggregate basis. This level of non-audit fees

does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Abstain*

#### *14. Authorise Share Repurchase*

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*

#### *16. Issue Shares for Cash*

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

*Vote Cast: Oppose*

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

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

*Vote Cast: Oppose*

### **ENERGIAS DE PORTUGAL SA (EDP) AGM - 14-04-2021**

#### *1. Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. Additionally, as of 23 March 2021, Portugal's tax watchdog is investigating the Company that may not have paid stamp duty to the government due business transactions with the French company Engie. An abstain vote is recommended on the Annual Report.

*Vote Cast: Abstain*

#### *3.1. Discharge the Management Board Directors*

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, as of 23 March 2021, Portugal's tax watchdog is investigating the Company that may not have paid stamp duty to the government due business transactions with the French company Engie. An abstain vote is recommended on the discharge.

*Vote Cast: Abstain*

#### *4. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

#### *6. Approve Authority to Increase Authorised Share Capital*

Authority is sought to increase the authorised share capital of the Company up to 10%. 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*

#### *7. Adopt New Articles of Association (Increase of Share Capital)*

This proposal is considered to be a technical item in order to publish a new version of the Articles, including the proposed amendments. Based on the concerns expressed on the proposals, opposition is recommended.

*Vote Cast: Oppose*

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

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

*Vote Cast: Oppose*

#### *9. Approve Statement on Remuneration Policy Applicable to Executive Board*

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*

#### *10. Approve Statement on Remuneration Policy Applicable to Other Corporate Bodies*

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*

#### *11.4. Elect Remuneration Committee for 2021-2023 Term*

Slate election of the remuneration committee. The proposed members do not include representatives of minority shareholders. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *11.5. Approve Remuneration of Remuneration Committee Members*

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*

#### *11.6. Elect Environment and Sustainability Board for 2021-2023 Term*

Proposal to elect Environment and Sustainability Committee 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 Committee after the meeting as resulting from this slate of candidates.

*Vote Cast: Oppose*

#### *3.2. Discharge the Board Directors*

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, as of 23 March 2021, Portugal's tax watchdog is investigating the Company that may not have paid stamp duty to the government due business transactions with the French company Engie. An abstain vote is recommended on the discharge.

*Vote Cast: Abstain*

#### *3.3. Discharge the Auditors*

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

*Vote Cast: Oppose*

### **ARENA EVENTS GROUP PLC EGM - 14-04-2021**

#### *3. 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*

## **GENTING SINGAPORE PLC AGM - 15-04-2021**

### *7. Appoint the Auditors*

PwC proposed. Non-audit fees represented 32.97% of audit fees during the year under review and 35.70% on a three-year aggregate basis. This level of non-audit fees raises some 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*

### *8. Approve Related Party Transaction Mandate*

Approval is sought for the Interested Person Transaction (IPT Mandate) to facilitate transactions in the normal course of business among the Company, its subsidiaries or affiliate companies, directors, chief executive officer(s), controlling shareholders of the Company and their respective associates and relatives. Whilst it is stated that procedures are in place to ensure the transactions are conducted at arm's length basis, such general authorities are not supported, as they do not allow thorough assessment of proposals from shareholders. Specific details relating to specific transactions should be provided to shareholders for thorough assessment.

Vote Cast: *Oppose*

### *9. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

## **SCA (SVENSKA CELLULOSA) AB AGM - 15-04-2021**

### *7.c.1. Discharge the Board for : Charlotte Bengtsson*

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.c.2. Discharge the Board for: Par Boman*

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.c.3. Discharge the Board for: Lennart Evrell*

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.c.4. Discharge the Board for: Annemarie Gardshol*

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.c.5. Discharge the Board for: Ulf Larsson*

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.c.6. Discharge the Board for: Martin Lindqvist*

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.c.7. Discharge the Board for: 7 Lotta Lyrå*

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.c.8. Discharge the Board for: Bert Nordberg*

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.c.9. Discharge the Board for: Anders Sundstrom*

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.c.10. Discharge the Board for: Barbara M. Thoralfsson*

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.c.11. Discharge the Board for: Roger Boström (employee representative)*

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.c.12. Discharge the Board for: Hans Wentjärv (employee representative, for the period Jan 1, 2020–May 30, 2020)*

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.c.13. Discharge the Board for: Johanna Viklund Lindén (employee representative)*

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.c.14. Discharge the Board for: Per Andersson (deputy employee representative)*

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.c.15. Discharge the Board for: Maria Jonsson (deputy employee representative)*

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.c.16. Discharge the Board for: Stefan Lundkvist (deputy employee representative)*

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.c.17. Discharge the Board for: Ulf Larsson (in his capacity as President)*

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*

*11.2. Elect Par Boman - Chair (Non Executive)*

Non-Executive Chair. 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. Not considered independent owing to a tenure of over nine years. There are also concerns over the director's potential aggregate time commitments. Opposition is recommended.

Vote Cast: *Oppose*

*11.4. Elect Annemarie Gardshol - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has a cross directorship with Par Boman, Bert Nordberg and Barbara Milian Thoralfsson for the company Essity. There is insufficient independent representation on the Board.

*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 are concerns over the director's potential aggregate time commitments. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*11.7. Elect Bert Nordberg - Non-Executive Director*

Non-Executive Director. Bert Nordberg is non-executive director of SSAB which is a subsidiary of Industrivarden. There are also concerns over his aggregate time commitments. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*11.9. Elect Barbara Milian Thoralfsson - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years, and due to the director being a board member of Essity, which is owned by Industrivarden, a significant shareholder of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*12. Elect Par Boman - Chair (Non Executive)*

Non-Executive Chair. 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. Not considered independent owing to a tenure of over nine years. There are also concerns over the director's potential aggregate time commitments. Opposition is recommended.

*Vote Cast: Oppose*

*14. Approve the Remuneration Report*

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

## **PACIFIC BASIN SHIPPING LTD AGM - 15-04-2021**

### ***2.I. Elect Mats Berglund***

Chief Executive.

*Vote Cast: Oppose*

### ***2.II. Elect Patrick Blackwell Paul***

Not considered independent as he was until 2002 the Chairman and Senior Partner of PwC, who serve as the Company's auditors. There is a potential for a conflict of interest, especially as Mr Paul is the Chairman of the Audit Committee of the Company. Further, he has served on the Board for nine years.

*Vote Cast: Oppose*

### ***2.III. Elect Alasdair George Morrison***

Non-Executive Director. Not considered independent owing to a tenure of over nine years.

*Vote Cast: Oppose*

### ***2.VI. Authorise the Board to Fix Directors' Remuneration***

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*

### ***5. Authorise Share Repurchase***

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

## **BANCO BPM SOCIETA PER AZIONI AGM - 15-04-2021**

### ***0.3.2. Approve the Remuneration Report***

It is proposed to approve the implementation of the remuneration report. 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. The company has not disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. On balance, abstain vote is recommended.

*Vote Cast: Abstain*

#### *0.5.1. Approve of the short-term incentive plan*

The Board proposes the approval of a new short-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.

These 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. Targets are not fully disclosed in a quantifiable manner which prevents shareholder to make an informed assessment and may end up rewarding for failure. They are also a significant factor in reward for failure.

*Vote Cast: Oppose*

#### *0.5.2. Approve New Executive Share Option Scheme/Plan*

The Board proposes the approval of a new equity-based incentive plan. Under the plan, participants will be allotted shares that will vest over a two-year period. Performance targets have been quantified at this time, which is above market practice. However, the potential total reward raises excessiveness concerns (together with other incentives) and the vesting period of two years is considered to be short term.

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

*Vote Cast: Oppose*

#### *0.6. 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*

### **CNH INDUSTRIAL NV AGM - 15-04-2021**

#### *2.b. Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the Annual Report.

*Vote Cast: Abstain*

Results: For: 99.9, Abstain: 0.0, Oppose/Withhold: 0.1,

#### *2.d. 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. 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, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 99.3, Abstain: 0.1, Oppose/Withhold: 0.6,

#### *3. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets 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: 72.5, Abstain: 1.1, Oppose/Withhold: 26.4,

#### *4.a. Re-Appointment Suzanne Heywood - 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: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,

#### *4.d. Re-appointment Tufan Erginbilgic - 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: 98.5, Abstain: 0.0, Oppose/Withhold: 1.5,

#### *4.e. Re-appointment Leo W. Houle - Senior Independent Director*

Senior Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the Board.

Vote Cast: *Oppose*

Results: For: 93.3, Abstain: 0.0, Oppose/Withhold: 6.7,

#### *4.f. Re-appointment John B. Lanaway - Non-Executive Director*

Non-Executive Director and member of the Audit Committee. Not considered independent owing to a tenure of over nine years. He previously served as a director of CNH Global from 2006-2013. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.3, Abstain: 0.0, Oppose/Withhold: 3.7,

#### 4.h. *Re-appointment Lorenzo Simonelli - Non-Executive Director*

This director has an attendance record of less than 90% for both Board and Committee meetings which they were eligible to attend during the year. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 88.0, Abstain: 0.0, Oppose/Withhold: 12.0,

#### 4.i. *Re-appointment Vagn Sørensen - 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: 77.0, Abstain: 0.1, Oppose/Withhold: 23.0,

#### 6. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### **CELANESE CORPORATION AGM - 15-04-2021**

#### 1.c. *Elect Edward G. Galante - Senior Independent Director*

Senior Independent Director. Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.0, Oppose/Withhold: 1.6,

#### 1.i. *Elect Lori J. Ryerkerk - 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: 94.2, Abstain: 0.5, Oppose/Withhold: 5.3,

#### 1.j. *Elect John K. Wulff - Non-Executive Director*

Non-Executive Director, Chair of the Audit Committee. Not considered independent owing to a tenure of nine years. It is considered that audit committees should be comprised exclusively of independent members, including the chair.

Vote Cast: *Oppose*

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

### 2. *Ratify KPMG LLP as Auditors*

KPMG proposed. Non-audit fees represented 18.70% of audit fees during the year under review and 19.06% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.0, Oppose/Withhold: 0.9,

### 3. *Advisory Vote to Ratify Named Executive Officers' Compensation*

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

Vote Cast: *Abstain*

Results: For: 96.3, Abstain: 0.1, Oppose/Withhold: 3.5,

## UNICREDIT SPA AGM - 15-04-2021

### O.1. *Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

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

### O.5. *Approve the Dividend*

The Board proposes a dividend of EUR 0.12 per share. The dividend is covered by earnings. However, in addition to the ECB recommendations to not paying dividend exceeding a certain percentage of the profit reserves, it is considered inappropriate while the company has suffered losses, has planned to cut jobs through 2023 and sought share buybacks since 2019.

Vote Cast: *Oppose*

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

### O.6. *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: 98.9, Abstain: 0.5, Oppose/Withhold: 0.7,



#### *O.11. Approve 2021 Group Incentive System*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets 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: 99.0, Abstain: 0.3, Oppose/Withhold: 0.7,*

#### *O.12. 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. In addition, the designated CEO will start with a salary on the high percentile of comparable companies (the company has not disclosed a list of peers, however) and the Board of Directors has approved a share-based award, representing the full variable remuneration for 2021, payable in two tranches, not subject to performance conditions, malus or claw-back, while subject to minimum prudential requirements at the time of payment. The company explains that this will allow the CEO to be compliant with the Group share ownership guidelines and will foster alignment with shareholders; however, it is considered to be hardly incentivizing, as it lacks performance conditions and can be classified as a golden hello. On balance, opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 54.4, Abstain: 2.6, Oppose/Withhold: 42.9,*

#### *O.13. Approve Severance Payments Policy*

It is proposed that severance payments do not exceed 24 months of total remuneration, that the portion of such payments additional to notice does not in any case exceed 18 months of remuneration and that the maximum limit for termination pay remains at 6 times the fixed compensation, without the possibility of exceptions. Only the maximum absolute amount is increased from EUR 7.2 million to EUR It is welcomed that shareholders have the opportunity to vote on severance policy, separately from the remuneration policy. However, it is considered that severance payments in this market should not exceed 24 months of fixed salary. Opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 73.1, Abstain: 0.3, Oppose/Withhold: 26.7,*

#### *O.14. Approve Second Section of the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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: 99.1, Abstain: 0.3, Oppose/Withhold: 0.6,*

#### *E.1. Authorize Board to Increase Capital to Service 2021 Group Incentive System*

It is proposed to increase the share capital by issuing new shares to the service of the incentive plan proposed at this meeting: thus, opposition is recommended based on the concerns identified on the proposed incentive plan.

Vote Cast: *Oppose*

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

## **TOMTOM NV AGM - 15-04-2021**

### *4. Approve the Remuneration Report*

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

Vote Cast: *Oppose*

### *5. Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the Annual Report.

Vote Cast: *Abstain*

### *7. Discharge the Supervisory Board*

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

Vote Cast: *Abstain*

### *10. Elect Michael Rhodin*

Independent Non-Executive Director, Member 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, and abstention to the election of the Chair of the Committee is recommended to signal this concern.

Vote Cast: *Oppose*

### *11. 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*

### 13. *Authorize Board to exclude pre-emptive rights from share issuances*

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

Vote Cast: *Oppose*

### 14. *Grant Board Authority to Issue Shares up to 10 Percent of Issued Capital in Case of Merger, Acquisitions and/or (Strategic) Alliances*

It is considered that shareholders should be allowed to vote on such resolutions annually. Opposition is recommended.

Vote Cast: *Oppose*

## **EMBOTELLADORA ANDINA SA AGM - 15-04-2021**

### 3. *Approve the Dividend Policy*

At this time, the Company has not made available the dividend policy. Opposition is recommended as this is considered a serious reporting omission.

Vote Cast: *Oppose*

### 4. *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*

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

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

Vote Cast: *Abstain*

### 6. *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*

### *7. Designation of Risk Ratings Agencies*

The proposed risk assessment companies have not been disclosed at this time. Abstention recommended.

*Vote Cast: Abstain*

### *8. Receive Report Regarding Related-Party Transactions*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. It is recommended not to support the proposal.

*Vote Cast: Abstain*

### *9. Designate Newspaper to Publish Announcements*

The Company has not given a specific proposal and this prevents shareholders to give an adequate assessment. Although this is normally not a controversial item, abstention is recommended.

*Vote Cast: Abstain*

### *10. 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*

## **ORKLA ASA AGM - 15-04-2021**

### *3. 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. 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*

### *5.1. Authorise Share Repurchase for use in Employee Incentive Programs*

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. The shares will be used for the implementation of employee ownership plans. 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*

*6.1. Elect Stein Erik Hagen - Chair (Non Executive)*

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

Vote Cast: *Oppose*

*7. Elect Nils-Henrik Pettersson to the Nomination Committee*

The Company, has not disclosed sufficient information regarding the nominee to the nomination committee. Opposition is recommended.

Vote Cast: *Oppose*

*6.2. Elect Ingrid Jonasson Blank - Non-Executive Director*

Non-Executive Director. Not considered to be independent as she has spent most of her career (1986-2010) at ICA, where the former Chief Executive Officer and Vice Chair Mr. Ruzicka has been Deputy Chief Executive Officer among other positions from 1998 to 2000. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

*6.3. Elect Nils Selte - Non-Executive Director*

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

Vote Cast: *Oppose*

*6.4. Elect Liselott Kilaas - Non-Executive Director*

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

Vote Cast: *Oppose*

*6.8. Elect Caroline Kjos as Deputy Director*

Proposal to elect Caroline Kjos as alternate directors. There would be insufficient independent representation on the Board if the proposed alternate directors were elected. She works as Project Manager at Canica International AG a significant shareholder.

Vote Cast: *Oppose*

*5.2. Authorise Share Repurchase and Reissuance/Cancellation of Repurchased Shares*

It is proposed to authorise the Board to purchase Company's shares for 10% and 12 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*

## **FERRARI NV AGM - 15-04-2021**

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

It is proposed to approve the implementation of the remuneration report. 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: 86.9, Abstain: 0.1, Oppose/Withhold: 13.0,

### *2.d. Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and as such the financial impact of sustainability may not have been adequately reported. An abstain vote is recommended.

Vote Cast: *Abstain*

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

### *4. Appoint the Auditors*

EY proposed. Non-audit fees were not paid during the year under review and represented 0.33% of audit fees on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than 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: 0.1, Oppose/Withhold: 0.0,

### *6. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 99.9, Abstain: 0.0, Oppose/Withhold: 0.1,

## WILMAR INTERNATIONAL LTD AGM - 15-04-2021

### *3. 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. Elect Kuok Khoon Hong - 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*

### *8. Appoint the Auditors*

EY proposed. Non-audit fees represented 18.40% of audit fees during the year under review and 26.64% 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*

### *11. Approve Related Party Transaction*

Approval is sought for the Interested Person Transaction (IPT Mandate) to facilitate transactions in the normal course of business among the Company, its subsidiaries or affiliate companies, directors, chief executive officer(s), controlling shareholders of the Company and their respective associates and relatives. Whilst it is stated that procedures are in place to ensure the transactions are conducted at arm's length basis, such general authorities are not supported, as they do not allow thorough assessment of proposals from shareholders. Specific details relating to specific transactions should be provided to shareholders for thorough assessment.

Vote Cast: *Oppose*

### *12. Authorise Share Repurchase Mandate*

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*

## TELEFONICA BRASIL SA AGM - 15-04-2021

### *3.1. Elect Cremenio Medola Netto as Fiscal Council Member and Juarez Rosa da Silva as Alternate*

It is proposed to appoint members of the Fiscal Council in a bundled election: Cremenio Medola Netto as standing member, Juarez Rosa da Silva 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. Cremenio Medola Netto 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*

### *3.2. Elect Charles Edwards Allen as Fiscal Council Member and Stael Prata Silva Filho as Alternate*

It is proposed to appoint members of the Fiscal Council in a bundled election: Charles Edwards Allen as standing member, Stael Prata Silva Filho 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. Charles Edwards Allen 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*

### *4. 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 BRL 33.7 million. Variable remuneration for executives would correspond to up to 250% 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*

## OSTERREICH POST AG AGM - 15-04-2021

### *7. Approve the Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. There are no claw back clauses in place over the entirety of the variable remuneration. Opposition is recommended.

Vote Cast: *Oppose*



## NESTLE SA AGM - 15-04-2021

### 1.1. *Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the Annual Report.

Vote Cast: *Abstain*

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

### 1.2. *Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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: 86.8, Abstain: 0.8, Oppose/Withhold: 12.4,

## 2. *Approve Discharge of Board and Senior Management*

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 there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, and the financial statements are not submitted to vote, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

### 4.1.c. *Re-Elect Henri de Castries - Senior Independent Director*

Senior 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: 98.4, Abstain: 0.6, Oppose/Withhold: 1.0,

### 4.1.f. *Re-Elect Ann. M. Veneman - 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, 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*

Results: For: 95.7, Abstain: 2.9, Oppose/Withhold: 1.4,

#### 4.1.g. *Re-Elect Eva Cheng - 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: 99.3, Abstain: 0.2, Oppose/Withhold: 0.5,

#### 4.1.h. *Re-Elect Patrick Aebischer - 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: 99.2, Abstain: 0.2, Oppose/Withhold: 0.6,

#### 4.1.k. *Re-Elect Dick Boer - 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: 99.3, Abstain: 0.2, Oppose/Withhold: 0.5,

#### 4.1.l. *Re-Elect Dinesh Paliwal - 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: 99.2, Abstain: 0.2, Oppose/Withhold: 0.6,

#### 4.1.m. *Re-Elect Hanne Jimenez de Mora - 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: 99.6, Abstain: 0.3, Oppose/Withhold: 0.1,

#### 4.3.2. *Appoint Patrick Aebischer as Member of the Compensation Committee*

This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 98.7, Abstain: 0.3, Oppose/Withhold: 1.0,

#### 4.3.3. *Appoint Dick Boer as Member of the Compensation Committee*

This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments

for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, abstention is recommended.

*Vote Cast: Abstain*

*Results: For: 98.7, Abstain: 0.4, Oppose/Withhold: 0.9,*

#### *5.2. Approve Remuneration of Executive Committee in the Amount of CHF 57.5 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 57.5 million (CHF 55 million was proposed last year). This proposal includes fixed and variable remuneration components.

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, opposition is recommended based on excessiveness concerns.

*Vote Cast: Oppose*

*Results: For: 90.3, Abstain: 0.5, Oppose/Withhold: 9.2,*

#### *7. Support Nestle's Climate Roadmap*

There does not appear to be any individual accountability for the policy, and the policy does not list the Chair as responsible for the climate strategy. Rather, the company management and the sustainability committee hold collective responsibility, which is considered too general, and against an effective execution and accountability overall.

The company has not pledged to end or review membership of industry environmental lobbying groups, where these pursue goals or advertise actions contrary to the company's climate strategy, which appears inconsistent with its goals and an obstacle to its effectiveness.

The company climate strategy has been proposed with an actual timeline, for the purpose of measuring progresses against emission reductions and overall energy transition.

The company's targets are in line with a plan to limit global warming to 1.5 degrees when compared to pre-industrial levels. This is considered to be best practice, and represents a more resilient scenario.

The Company have committed to being carbon neutral by 2050 and has extended this commitment to its Scope 1, Scope 2 and Scope 3 emissions. The company proposes a strategy that appears to contain an actual reduction of carbon emissions and waste reduction targets, rather than only offsetting without real effort to curb greenhouse gas emissions.

On grounds of sustainability governance concerns, and a lack of a commitment to end or review association with lobbying groups, opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 95.0, Abstain: 4.4, Oppose/Withhold: 0.6,*

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

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

*Vote Cast: Oppose*

## **CIMB GROUP HOLDINGS BERHAD EGM - 15-04-2021**

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

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted stock options, each of which will give right to one share. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

*Vote Cast: Oppose*

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

It is proposed to increase the share capital by issuing new shares to the service of the incentive plan proposed at this meeting: thus, opposition is recommended based on the concerns identified on the proposed incentive plan.

*Vote Cast: Oppose*

## **CAP-CIA ACEROS DEL PACIFICO AGM - 15-04-2021**

### *3. Elect Board: Slate Election*

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*

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*

### *5. Appoint the Auditors*

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. Designation of Risk Ratings Agencies*

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. Receive the Directors' Committee Report*

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. Receive Report Regarding Related-Party Transactions*

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*

*9. Determination of Newspaper for Corporate Publications*

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*

*10. 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*

**CIMB GROUP HOLDINGS BERHAD AGM - 15-04-2021**

*1. Re-elect Datuk Mohd Nasir Ahmad - Chair (Non Executive)*

Independent Non-Executive Chair. 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*

*2. Re-elect Robert Neil Coombe - 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. Approve Fees Payable to the Board of Directors*

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*

#### *7. 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*

#### *8. Appoint the Auditors (PricewaterhouseCoopers) and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 20.13% of audit fees during the year under review and 20.95% 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*

#### *11. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares up to 10% 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*

### **LVMH (MOET HENNESSY - LOUIS VUITTON) SE AGM - 15-04-2021**

#### *O.1. Approve Financial Statements and Statutory Reports*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the Annual Report.

Vote Cast: *Abstain*

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

#### *O.2. Approve Consolidated Financial Statements and Statutory Reports*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the

Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the Annual Report.

*Vote Cast: Abstain*

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

#### *O.4. Approve Auditors' Special Report on Related-Party Transactions*

At its meeting of January 28, 2020, the Board of Directors tasked Sophie Chassat with conducting a study and a review into the raison d'être (purpose) of the Company. The Board of Directors decided to allocate exceptional compensation to Sophie Chassat in the amount of 25,000 euros, payable in two equal installments, one at the end of April 2020 and the other upon completion of the assignment. Accordingly, in 2020 the Company paid exceptional compensation in the amount of 25,000 euros to Sophie Chassat. Sophie Chassat is currently a member of the board of directors. It is considered that the review the corporate purpose of the Company is part of the responsibilities of members of the Board of Directors. As such, additional compensation for the realisation of this task is not warranted. Additional payment beyond fixed director's fees is also against best practice. For these reasons, opposition to this resolution is recommended.

*Vote Cast: Oppose*

*Results: For: 83.2, Abstain: 0.1, Oppose/Withhold: 16.7,*

#### *O.5. Elect Antoine Arnault - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has close family ties with the Company. He is the son of Bernard Arnault, Chair and CEO of the Company and younger brother of Delphine Arnault. The Arnault Family is a significant shareholder of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*Results: For: 92.4, Abstain: 0.4, Oppose/Withhold: 7.3,*

#### *O.7. Elect Charles de Croisset - Senior Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of more than nine years. It is considered that a Lead 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: 85.8, Abstain: 0.5, Oppose/Withhold: 13.7,*

#### *O.8. Elect Yves-Thibault de Silguy - 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: 93.6, Abstain: 0.1, Oppose/Withhold: 6.4,*

#### *O.9. Appoint Olivier Lenel as Alternate Auditor*

The Board requests authority to elect a substitute external auditor. Given the relationship between the proposed substitute and the elected statutory auditor Mazars, the selection is not considered suitable to meet the intended purpose, which is to fulfill any vacancy which may arise if the statutory auditor is unable to complete the audit.

*Vote Cast: Oppose*

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

#### *O.11. Approve Amendment of Remuneration Policy of Executive Corporate Officers Re: FY 2020*

It is proposed to amend the Policy of Corporate Officers to account for the COVID-19 pandemic. It is proposed to vest 50% of the performance remuneration despite the fact that the performance conditions were not met. On these grounds opposition is recommended.

Vote Cast: *Oppose*

Results: For: 82.3, Abstain: 0.1, Oppose/Withhold: 17.6,

#### *O.12. Approve Compensation of Corporate Officers*

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

Vote Cast: *Oppose*

Results: For: 85.0, Abstain: 0.5, Oppose/Withhold: 14.5,

#### *O.13. Approve Compensation of Bernard Arnault, Chairman and CEO*

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

Vote Cast: *Oppose*

Results: For: 83.0, Abstain: 0.5, Oppose/Withhold: 16.5,

#### *O.14. Approve Compensation of Antonio Belloni, Vice-CEO*

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

Vote Cast: *Oppose*

Results: For: 83.0, Abstain: 0.7, Oppose/Withhold: 16.3,

#### *O.16. Approve Remuneration Policy of Chairman and CEO*

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

Vote Cast: *Oppose*

Results: For: 78.1, Abstain: 0.1, Oppose/Withhold: 21.8,



#### *O.17. Approve Remuneration Policy of Vice-CEO*

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

Vote Cast: *Oppose*

Results: For: 78.4, Abstain: 0.3, Oppose/Withhold: 21.2,

#### *O.18. Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

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

Vote Cast: *Oppose*

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

#### *E.22. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 20 Million*

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

Vote Cast: *Oppose*

Results: For: 81.4, Abstain: 0.5, Oppose/Withhold: 18.1,

#### *E.23. Approve Issuance of Equity or Equity-Linked Securities for Qualified Investors, up to Aggregate Nominal Amount of EUR 20 Million*

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

Vote Cast: *Oppose*

Results: For: 80.3, Abstain: 0.5, Oppose/Withhold: 19.2,

#### *E.24. Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Above*

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

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

Vote Cast: *Oppose*

Results: For: 80.4, Abstain: 0.6, Oppose/Withhold: 19.0,

#### *E.25. Approve authority to increase authorised share capital for future exchange offers*

Authority is sought to increase the authorised share capital of the Company up to xxx. At this time, the company has not disclosed whether successive increases would

be carried out with or without pre-emptive rights. As such, the aggregate authority may exceed recommended limits for issues with or without pre-emptive rights. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 80.7, Abstain: 0.5, Oppose/Withhold: 18.8,

#### *E.27. Authorize up to 1 Percent of Issued Capital for Use in Stock Option Plans*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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: 83.0, Abstain: 0.5, Oppose/Withhold: 16.5,

#### *E.28. Authorize Capital Issuances for Use in Employee Stock Purchase Plans*

Authority for a capital increase for up to 1% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

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

#### *E.29. Set Total Limit for Capital Increase to Result from Issuance Requests Under Items 21-26 at EUR 20 Million*

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

Vote Cast: *Oppose*

Results: For: 97.0, Abstain: 0.1, Oppose/Withhold: 3.0,

### **STELLANTIS N.V. AGM - 15-04-2021**

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

It is proposed to approve the implementation of the remuneration report. 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, the claw back clauses in place are considered inadequate as they only apply to financial misstatement, which is against best practices.

Executives will receive an annual bonus, although the company has reported to have laid off staff due to the consequences the outbreak of the COVID-19 public health crisis in 2020. It is considered that paying management bonuses to the detriment of workers does not provide alignment with stakeholder interests, which is what variable remuneration schemes are supposed to achieve.

Vote Cast: *Oppose*

Results: For: 49.2, Abstain: 11.9, Oppose/Withhold: 38.9,

#### 2.d. *Approve Financial Statements*

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

Vote Cast: *Oppose*

Results: For: 97.2, Abstain: 1.5, Oppose/Withhold: 1.3,

#### 3. *Appoint the Auditors*

EY proposed. Non-audit fees represented 2.54% of audit fees during the year under review. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years including the tenure of the auditor at FCA. 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: 0.1, Oppose/Withhold: 0.1,

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

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. There are claw-back clauses in place over the entirety of the variable remuneration component, which is welcomed. However, based on excessiveness concerns, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 72.4, Abstain: 17.2, Oppose/Withhold: 10.4,

#### 4.b. *Approve New Executive Share Plan*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 53.7, Abstain: 9.2, Oppose/Withhold: 37.1,

#### 5. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,

## NATURA & CO HOLDING SA EGM - 16-04-2021

### 1. *Re-Ratify Remuneration of Company's Management Approved at the April 30, 2020 AGM*

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.

Fiscal Council receive only fixed fees. 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. For Management, it is proposed to cap remuneration at BRL 17.9 million. Variable remuneration for executives would correspond to up to 389% 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*

## SWISS RE AGM - 16-04-2021

### 1.1. *Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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: 74.8, Abstain: 2.0, Oppose/Withhold: 23.2,

### 1.2. *Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the Annual Report.

Vote Cast: *Abstain*

Results: For: 99.3, Abstain: 0.4, Oppose/Withhold: 0.3,

### 3. *Approve Variable Short-Term Remuneration of Executive Committee*

The Board of Directors proposes the approval of the aggregate amount of variable short-term compensation for the members of the Group Executive Committee. It is proposed to fix the remuneration of members of the Executive Committee until next AGM at CHF 15.1 million (CHF 14.1 million were paid for the year under review). The Company submitted two separate proposals for Executives fixed and variable remuneration, which is welcomed. With this separation, if shareholders rejected the variable compensation at a future potential retrospective proposal, the Company may nevertheless pay fixed salaries. The Ordinance Against Excessive Payments provides that if compensation is not approved, it may not be paid.

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, opposition is recommended based on excessiveness concerns.

*Vote Cast: Oppose*

*Results: For: 88.7, Abstain: 0.8, Oppose/Withhold: 10.6,*

#### *4. 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. 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, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*Results: For: 98.2, Abstain: 0.8, Oppose/Withhold: 1.0,*

##### *5.1.1. Elect Sergio P. Ermotti - Chair (Non Executive)*

Non-Executive Chair. The Board has combined the election of the director, and their appointment as Chair into one resolution, which is regrettable. The director is not considered independent owing to a tenure of over nine years. Although, there is sufficient independent representation on the Board, it is considered that the Chair of the Board should be an independent director. It is noted that this resolution received significant opposition at the last AGM. Opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 96.4, Abstain: 0.7, Oppose/Withhold: 2.9,*

##### *5.1.6. Elect Deanna Ong - 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: 99.0, Abstain: 0.4, Oppose/Withhold: 0.7,*

##### *5.1.11. Elect Jacques de Vaucleroy - 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: 98.0, Abstain: 0.4, Oppose/Withhold: 1.6,*

##### *5.2.1. Reappoint Remuneration Committee Member: Raymond Ch'ien*

Non-Executive Director, candidate to the Remuneration Committee on this resolution. Not considered independent owing to a tenure of over nine years. It is considered that the Remuneration Committee should consist exclusively of independent members. Opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 82.7, Abstain: 0.5, Oppose/Withhold: 16.8,*

##### *5.2.2. Reappoint Remuneration Committee Member: Renato Fassbind*

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: 85.2, Abstain: 0.5, Oppose/Withhold: 14.3,

#### *5.2.5. Reappoint Remuneration Committee Chair: Jacques de Vaucleroy*

This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 85.2, Abstain: 0.5, Oppose/Withhold: 14.3,

#### *6.2. Approve Fixed and Variable Long-Term Remuneration*

It is proposed to fix the remuneration of members of the Executive Committee for 2021 at CHF 36.5 million (CHF 37.7 million proposed in previous year). This proposal includes fixed and long-term variable remuneration components.

The Company has submitted its compensation structure to an advisory vote, which is recommended by the local Corporate Governance Code. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 88.1, Abstain: 0.8, Oppose/Withhold: 11.1,

#### *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*

### **MANILA WATER CO INC AGM - 16-04-2021**

#### *4. Receive the Annual Report*

This company is considered to be in a high-risk sector, with regards to exposure of staff to COVID-19. As such, it is expected that full disclosure of causes of fatalities be provided, particularly where related to cases of COVID-19 among staff. Adequate measurement of such cases is considered to be material for the financial resilience of the company in the long term. Due to lack of disclosure, opposition is recommended.

Vote Cast: *Oppose*

#### *5. Ratify the Acts of the Board of Directors and Officers*

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*

*6. Re-elect Fernando Zobel de Ayala - 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*

*7. Re-elect Jaime Augusto Zobel de Ayala - Vice Chair (Executive)*

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

Vote Cast: *Oppose*

*9. Re-elect Antonino Aquino - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was previously employed by the Company as Chief Executive Officer of the company until 2009, and was a director of Ayala Group from 2009 to 2014, controlling shareholder of the Company, where he held various other roles. In addition, he is considered not independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

*10. Re-elect Gerardo Ablaza Jr. - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was previously employed by the Company as President and Chief Executive Officer of Manila Water Company, Inc. from 2010 to 2017. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

*11. Re-elect John Eric T. Francia - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder. John Eric T. Francia is Managing Director and member of the Management Committee of Ayala Corporation since 2009. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

*12. Re-elect Delfin Lazaro - Non-Executive Director*

Non-Executive Director. Not considered independent as he is a director of Ayala Corporation, a significant shareholder of the Company. In addition, he is also not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*13. Re-elect Sherisa Nuesa - Non-Executive Director*

Non-Executive Director. Not considered to be independent as she has previously worked at the Company as Chief Financial Officer. She has also previously served as an Executive Director of Ayala Corporation, a significant shareholder of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*14. Elect Cesar A. Buenaventura - Non-Executive Director*

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

*Vote Cast: Oppose*

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

Sycip Gorres Velayo & Co proposed. Non-audit fees represented 3.89% of audit fees during the year under review and 20.46% 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*

*18. 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*

**FAIR OAKS INCOME FUND LTD EGM - 16-04-2021**

*3. Issue Shares for Cash in Relation to the Placing Programme*

Authority is sought to issue more than 10% of the issued share capital for cash and expires at the next AGM. The proposed limit is considered excessive. An oppose vote is recommended.

*Vote Cast: Oppose*



## HENKEL AG & Co KGaA AGM - 16-04-2021

### [4. Discharge the Supervisory 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*

Results: For: 96.4, Abstain: 0.5, Oppose/Withhold: 3.0,

### [5. Discharge the Shareholders' Committee](#)

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*

Results: For: 96.2, Abstain: 0.6, Oppose/Withhold: 3.2,

### [8. Approve Remuneration Policy of the Management Board](#)

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

Vote Cast: *Abstain*

Results: For: 98.0, Abstain: 0.6, Oppose/Withhold: 1.5,

## NATURA & CO HOLDING SA AGM - 16-04-2021

### [3. 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.

Fiscal Council receive only fixed fees. 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. For Management, it is proposed to cap remuneration at BRL 18.6 million. Variable remuneration for executives would correspond to up to 320% 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*

## HUTCHISON PORT HLDGS TRUST AGM - 19-04-2021

### [2. Appoint PricewaterhouseCoopers LLP As Auditors](#)

PwC proposed. Non-audit fees represented 7.50% 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. 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*

### [3. Approve General Share Issue Mandate](#)

The authority is limited to 50% of the share capital on a pro-rata basis and no more than 20% can be issued without pre-emptive rights. The mandate expires at the next Annual General Meeting. However, a limit exceeding 10% of shares issued without pre-emptive rights is deemed unacceptable. An oppose vote is recommended.

Vote Cast: *Oppose*

## ELECTRICITY GENERATING PCL AGM - 19-04-2021

### [5. Appoint the Auditors and Allow the Board to Determine their Remuneration](#)

PwC proposed. Non-audit fees represented 1005.74% of audit fees during the year under review and 416.14% 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*

### [7B. Elect Kulit Sombatsiri - 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*

### [7D. Elect Wannipa Bhukdibutr - 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*

## CARRIER GLOBAL CORP AGM - 19-04-2021

### 1a. *Elect John V. Faraci - 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: 97.9, Abstain: 0.2, Oppose/Withhold: 1.9,

### 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: ADB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.1, Abstain: 0.2, Oppose/Withhold: 5.7,

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

PwC proposed. Non-audit fees represented 29.22% of audit fees during the year under review and 29.22% on a three-year aggregate basis. This level of non-audit fees raises some 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*

Results: For: 99.6, Abstain: 0.2, Oppose/Withhold: 0.2,

## BANCO BILBAO VIZCAYA ARGENTARIA SA (BBVA) AGM - 19-04-2021

### 1.1. *Approve Consolidated and Standalone Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the Annual Report.

Vote Cast: *Abstain*

Results: For: 97.5, Abstain: 2.2, Oppose/Withhold: 0.4,

### 1.4. *Discharge of 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. 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, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 96.8, Abstain: 2.8, Oppose/Withhold: 0.4,

### 2.3. *Re-elect Belén Garijo López - 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, 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*

Results: For: 97.0, Abstain: 1.9, Oppose/Withhold: 1.1,

### 2.6. *Re-elect Juan Pi Llorens - Lead Independent Director*

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

Vote Cast: *Oppose*

Results: For: 96.7, Abstain: 1.6, Oppose/Withhold: 1.7,

### 3. *Approve the Dividend*

It is proposed to distribute EUR 0.059 per share from reserves, including share premium. Although legal in this market, it is considered that the share premium account should be moved into distributable reserves through a reduction of capital, and it should not be used as distributable reserve per se. As the Company proposes a direct distribution from the share premium account, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 1.2, Oppose/Withhold: 0.7,

### 5. *Authorize Issuance of Convertible Bonds, Debentures, Warrants, and Other Debt Securities without Preemptive Rights*

The Board requests shareholder authorization to issue bonds to increase share capital by up to one-half of the current share capital, with or without pre-emptive rights during the five year period following approval. This is in accordance with Article 507 of the new Capital Companies Act, however the possibility to increase share capital up to 50% without pre-emptive rights exceeds guidelines. No lower limit on issues with pre-emptive rights has been established. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.1, Abstain: 1.6, Oppose/Withhold: 3.3,

### 7. *Approve Remuneration Policy*

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. 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*

Results: For: 93.6, Abstain: 1.4, Oppose/Withhold: 5.0,

### 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: 91.6, Abstain: 1.6, Oppose/Withhold: 6.7,

## **CARNIVAL PLC (GBR) AGM - 20-04-2021**

### *1. Re-elect Micky Arison - 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*

### *2. Elect Sir Jonathon Band - 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. In addition, Sir Band is 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 oppose vote is recommended.

*Vote Cast: Oppose*

### *7. Re-elect Richard J. Glasier - Non-Executive Director*

Non-Executive Director, Chair of the Audit Committee. Not considered independent owing to tenure of more than nine years. It is considered that audit committees should be comprised exclusively of independent members, including the chair. Opposition is recommended.

*Vote Cast: Oppose*

### *8. Re-elect Katie Lahey - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was previously employed by the Company as Executive Chair of Carnival Australia, a division of Carnival plc, from 2006 to 2013. There is insufficient independent representation on the Board. Opposition is recommended.

*Vote Cast: Oppose*

### *9. Re-elect Sir John Parker - 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. Opposition is recommended.

*Vote Cast: Oppose*

*10. Re-elect Stuart Subotnick - 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. In addition, the director is Chair of the Nomination committee.

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

*Vote Cast: Oppose*

*11. Elect Laura Weil - Non-Executive Director*

Non-Executive Director and member of the Audit Committee. Not considered independent owing to a tenure of over nine years. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

*12. Re-elect Randall J. Weisenburger - Senior Independent Director*

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

*Vote Cast: Oppose*

*13. 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: AEA. Based on this rating, opposition is recommended.

*Vote Cast: Oppose*

*14. Approve the Remuneration Report*

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

**Balance:** Changes in the outgoing CEO's total pay over the last five years are not commensurate with the changes in TSR performance over the same period. Although no Bonus was granted for the year under review the variable pay was excessive at 764.8% of the salary. The ratio of CEO pay compared to average employee pay is not acceptable at 41:1. PIRC consider a ratio of 20:1 as appropriate.

Rating: BE

*Vote Cast: Oppose*

*15. Reappoint PricewaterhouseCoopers LLP as Independent Auditors of Carnival plc & Ratify the Selection of the U.S. Firm of PricewaterhouseCoopers LLP as the Independent Registered Public Accounting Firm of Carnival Corporation*

PwC proposed. Non-audit fees represented 0.00% of audit fees during the year under review and 0.84% 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 reviewing a bank reconciliation (a private and not public document).

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

*Vote Cast: Oppose*

*17. Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the financial statements.

*Vote Cast: Abstain*

*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*

## HERALD INVESTMENT TRUST PLC AGM - 20-04-2021

### 9. *Re-appoint PricewaterhouseCoopers LLP as independent 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 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: 96.2, Abstain: 0.0, Oppose/Withhold: 3.7,

### 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.

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. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

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

## U.S. BANCORP AGM - 20-04-2021

### 1b. *Elect Dorothy J. Bridges - Non-Executive Director*

Independent Non-Executive Director. Member of the Public Responsibility Committee. The member 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: 92.2, Abstain: 0.3, Oppose/Withhold: 7.5,

*1d. Elect Andrew Cecere - 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: 93.9, Abstain: 0.4, Oppose/Withhold: 5.7,

*1f. Elect Kimberly J. Harris - Non-Executive Director*

Independent Non-Executive Director. Member of the Public Responsibility Committee. The member is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 1.4, Oppose/Withhold: 0.7,

*1h. Elect Olivia F. Kirtley - Senior Independent Director*

Senior Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the Board.

Vote Cast: *Oppose*

Results: For: 96.7, Abstain: 0.3, Oppose/Withhold: 3.0,

*1k. Elect Yusuf I. Mehdi - Non-Executive Director*

Non-Executive Director. Not considered independent as during 2018, the Company paid USD 37 million to Microsoft for software and services in the ordinary course of business, including desktop software, server and cloud enrolment services, and support and development of products. Microsoft's annual revenue was approximately USD90 billion for fiscal year 2018. Mr. Mehdi currently serves as a Corporate Vice President of Microsoft Corporation, he joined Microsoft in 1992 and held various leadership positions within the company prior to being named Senior Vice President of Microsoft's Online Services Division in 2001. There is sufficient independent representation on the Board. Member of the Public Responsibility Committee. The member 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: 99.2, Abstain: 0.4, Oppose/Withhold: 0.5,

*1l. Elect John P. Wiehoff - Non-Executive Director*

Independent Non-Executive Director. Member of the Public Responsibility Committee. The member 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: 99.1, Abstain: 0.4, Oppose/Withhold: 0.6,

*2. Appoint the Auditors*

EY proposed. Non-audit fees represented 56.35% of audit fees during the year under review and 34.15% on a three-year aggregate basis. This level of non-audit fees

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

Vote Cast: *Oppose*

Results: For: 97.5, Abstain: 0.2, Oppose/Withhold: 2.2,

### 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: 94.3, Abstain: 0.8, Oppose/Withhold: 5.0,

## **BANK OF AMERICA CORPORATION AGM - 20-04-2021**

### 1g. *Elect Monica C. Lozano - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is the Chair of the Remuneration committee which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 95.5, Abstain: 0.4, Oppose/Withhold: 4.2,

### 1i. *Elect Brian T. Moynihan - 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: 94.2, Abstain: 0.7, 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: DCB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.9, Abstain: 0.6, Oppose/Withhold: 5.6,

### 3. *Appoint PricewaterhouseCoopers LLP as the Auditors*

PwC proposed. Non-audit fees represented 9.80% of audit fees during the year under review and 8.70% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than 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: 96.1, Abstain: 0.3, Oppose/Withhold: 3.6,

#### 4. *Amend Omnibus Stock Plan*

It is proposed to amend the Key Employee Equity Plan (KEEP). The board are proposing to increase the number of shares of common stock available under the award by 115 million shares. They are also proposing to extend the plan term through April, 19 2031. As of March 1, 2021, under the current plan, there are around 132 million shares of common stock available for grant as equity-based awards. Based on the current run rate, these shares would last less than two years, with the current plan term having 8 years remaining.

There are concerns with the Plan as the it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, maximum award limits are excessive. As a result, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.6, Abstain: 0.5, Oppose/Withhold: 2.9,

#### 6. *Shareholder Resolution: Written Consent*

**Proponent's argument:** Kenneth Steiner requests that the board of directors take such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent. This proposal topic won 95%-support at a Dover Corporation shareholder meeting and 88%-support at an AT&T shareholder meeting. Taking action by written consent in place of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director. For instance a new director could be elected to replace directors who receive substantial negative votes. In 2020 Maria Zuber received 407 million negative votes. According to the argument in the 2020 BAC proxy management should be in favor of this proposal. Management said that given a choice shareholders are better served by calling for a special meeting than by acting by written consent.

**Company's response:** The board recommends a vote against: "We believe that matters requiring shareholder approval should be presented to, and voted on, by all shareholders. Unlike matters presented for vote at a shareholder meeting, shareholder action by written consent may not require communication to all shareholders, and may deny shareholders the ability to participate in major decisions affecting the company and their interests. A shareholder seeking action by written consent may attempt to solicit the fewest possible shareholders to take action, rather than seeking input from all shareholders, and may rely on consents obtained from some shareholders before other shareholders have had the ability to evaluate a proposal, express their views, and vote. Action by written consent thereby can disenfranchise shareholders who are not given the opportunity to vote. In contrast, when shareholders can act at a special or annual meeting of shareholders, all shareholders receive advance notice of the meeting and have clearly established times during which they can evaluate the issues, engage with the company and other shareholders, communicate their views, and vote. Moreover, permitting shareholder action by written consent could create confusion and disruption, as multiple shareholders could solicit written consents at any time on a wide range of issues, which may duplicate or conflict with other proposals. While the proponent has criticized virtual shareholder meetings as undermining the benefits of acting through a shareholder meeting, the proponent fails to consider most of the procedural benefits leading up to a meeting that we describe above, which may not be available when shareholders seek to act by written consent. In addition, at our 2021 annual meeting that will be held virtually, shareholders will have an opportunity to participate in question and answer sessions regarding the management and shareholder proposals contained in this proxy statement, as well as other relevant topics of concern to shareholders. This opportunity to engage with the company and hear views of other shareholders would not be available when shareholders seek to act by written consent. Shareholders owning 10% of our common shares already have the meaningful ability to call a special meeting of shareholders outside of the annual meeting cycle, and shareholders owning 3% of our common shares already have the ability to nominate a candidate for election to our Board through our proxy access Bylaw provision."

**PIRC analysis:** While there are emergency situations where convening a special meeting might take too long, and written consents may be gathered more quickly,

since the company has strong special meeting rights – the ability of shareholders to call one with 10% of shareholders, written consent rights are not as important. A vote against the resolution is recommended because the right of shareholders to act by written consent could lead to minority shareholders losing the ability to have their say on matters affecting the company.

Vote Cast: *Oppose*

Results: For: 26.2, Abstain: 1.3, Oppose/Withhold: 72.5,

## THE COCA-COLA COMPANY AGM - 20-04-2021

### 1.4. *Elect Christopher C. Davis - 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: 0.3, Oppose/Withhold: 2.0,

### 1.5. *Elect Barry Diller - 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: 0.3, Oppose/Withhold: 14.0,

### 1.6. *Elect Helene D. Gayle - 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: 97.8, Abstain: 0.3, Oppose/Withhold: 2.0,

### 1.7. *Elect Alexis M. Herman - 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, 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.

Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 92.8, Abstain: 0.3, Oppose/Withhold: 6.9,

### 1.10. *Elect James Quincey - 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: 93.2, Abstain: 0.7, Oppose/Withhold: 6.1,

### 1.12. *Elect David B. Weinberg - 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: 98.5, Abstain: 0.3, Oppose/Withhold: 1.2,

### 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: ADC. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.9, Abstain: 0.5, Oppose/Withhold: 5.6,

### 3. *Appoint the Auditors*

EY proposed. Non-audit fees represented 22.31% of audit fees during the year under review and 22.34% 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: 95.9, Abstain: 0.2, Oppose/Withhold: 3.8,

## VERBUND AG AGM - 20-04-2021

### 3. *Discharge the Management 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. 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, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

### 4. *Discharge the Supervisory 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. 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, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 97.6, Abstain: 0.0, Oppose/Withhold: 2.4,

#### 5. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 21.10% of audit fees during the year under review and 42.29% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

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

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

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

Vote Cast: *Oppose*

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

#### 8.1. *New/Amended Proposals from Shareholders*

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*

#### 8.2. *New/Amended Proposals from Management and Supervisory Board*

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*

### **ABERDEEN EMERGING MARKETS INV CO LTD AGM - 20-04-2021**

#### 4. *Elect Mark Hadsley-Chaplin - Chair (Non Executive)*

Non-Executive Chair. Not considered to be independent as he was a Non-executive Director of Aberdeen Asian Smaller Companies Investment Trust Plc up until 29 November 2016. The cool-off period between his resignation at Aberdeen Asian Smaller Companies Investment Trust and his appointment as Chair of the Board is not considered to be sufficient. 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 chair position is incompatible with this and an oppose vote is recommended.

Vote Cast: *Oppose*

### 8. *Re-appoint KPMG Channel Islands Limited as Auditors*

KPMG proposed. Non-audit fees represented 40.00% of audit fees during the year under review and 38.98% 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*

### 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. 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.

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. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

## XP POWER LTD AGM - 20-04-2021

### 1. *Receive the Annual Report*

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

Vote Cast: *Abstain*

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

### 3. *Re-elect James Peters - Chair (Non Executive)*

Chair. The Chair is not considered to be independent as Mr. Peters is the Founder of the Company and has previously served as European Managing Director and Executive Director. In addition, he has a tenure of over nine years on the Board. It is a generally accepted norm of good practice that a Chair of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Being a non-independent Chair is considered to be incompatible with this. Oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 95.6, Abstain: 0.0, Oppose/Withhold: 4.4,

### 9. *Re-appoint PricewaterhouseCoopers LLP as auditors of the Company*

PwC proposed. Non-audit fees represented 3.33% of audit fees during the year under review and 7.50% 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 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: 0.1, Oppose/Withhold: 0.7,

#### 11. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary is not in line with the workforce since the salary for the Chief Executive increased by 12% when the workforce salary increased by 4%. CEO's salary is in the median of PIRC's comparator group

**Balance:**Changes in the outgoing CEO's total pay over the last five years are not commensurate with the changes in TSR performance over the same period. The variable pay vested or pay for the year under review is marginally excessive at 202.2% of the salary. The ratio of CEO pay compared to average employee pay is not acceptable at 31:1. PIRC consider an acceptable CEO ratio at 20:1

Rating: AE

Vote Cast: *Oppose*

Results: For: 90.5, Abstain: 0.0, Oppose/Withhold: 9.5,

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

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

Vote Cast: *Oppose*

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

#### 15. *Authorise Share Repurchase*

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



an oppose vote is recommended.

*Vote Cast: Oppose*

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

## **THE BOEING COMPANY AGM - 20-04-2021**

### *1d. Elect Edmund P. Giambastiani Jr. - Non-Executive Director*

Non-Executive Director. It is noted that this director received a significant number of oppose votes of 35.31% at the 2020 AGM. Not considered independent owing to a tenure of over nine years. Although, there is sufficient independent representation on the Board, it is noted there are concerns over the director's potential aggregate time commitments and the director cannot prove full attendance at board and committee meetings he was eligible to attend during the year under review. On balance, an abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 85.6, Abstain: 1.7, Oppose/Withhold: 12.7,*

### *1e. Elect Lynn J. Good - Non-Executive Director*

Not considered to be independent, as this director is considered to be in a material connection with the current auditor. Ms. Good worked for 11 years as an audit partner at Arthur Anderson LLP and Deloitte & Touche LLP. There is no evidence that there has been a sufficient cool-off period. This relationship raises concerns over a potential conflict of interest. It is also noted the director chairs the audit committee and is a member of the remuneration committee which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 93.9, Abstain: 1.6, Oppose/Withhold: 4.5,*

### *1g. Elect Lawrence W. Kellner - Chair (Non Executive)*

Non-Executive Chair. It is noted that the chair received a significant number of oppose votes of 25.82% at the 2020 AGM. Not considered independent owing to a tenure of over nine years. 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. There are also concerns over the director's potential aggregate time commitments and the director cannot prove full attendance at board and committee meetings he was eligible to attend during the year under review.

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 the concerns over the Company's sustainability policies and practice in addition to other concerns identified above, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 82.1, Abstain: 1.6, Oppose/Withhold: 16.3,*

### *1j. Elect Ronald A. Williams - Non-Executive Director*

Non-Executive Director. It is noted that this director received a significant number of oppose votes of 32.49% at the 2020 AGM. Not considered independent owing to a tenure of over nine years. Although, there is sufficient independent representation on the Board, it is noted there are concerns over the director's potential aggregate time commitments and the director cannot prove full attendance at board and committee meetings he was eligible to attend during the year under review. In addition, it is noted the director is also a member of the audit committee which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 91.7, Abstain: 1.7, Oppose/Withhold: 6.6,

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

Vote Cast: *Oppose*

Results: For: 87.4, Abstain: 2.1, Oppose/Withhold: 10.5,

### *3. Ratify the appoint of Deloitte & Touche LLP as Auditors*

Deloitte proposed. Non-audit fees represented 0.31% of audit fees during the year under review and 0.43% 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: 1.0, Oppose/Withhold: 3.4,

## **NORDIC SEMICONDUCTOR AGM - 20-04-2021**

### *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*

### *9.C. Elect Anita Huun*

Independent Non-Executive Director, Member 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, and abstention to the election of the Chair of the Committee is recommended to signal this concern.

Vote Cast: *Oppose*

### *9.E. Elect Inger Berg Ørstavik*

Independent Non-Executive Director, Member 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, and abstention to the election of the Chair of the Committee is recommended to signal this concern.

Vote Cast: *Oppose*

*10.A. Elect John Harald Henriksen as a 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*

*10.B. Elect Viggo Leisner as a 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*

*10.C. Elect Eivind Lotsberg as a 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*

*12.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. 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*

*12.B. Approve New Long Term Incentive Plan*

It is proposed to approve a new long term incentive plan. The plan will consist of long-term equity-linked incentives through allocation of Restricted Stock Units and Performance shares. The Company has not disclosed the performance criteria for the allocation of incentives, and as such there are concerns that it may overpay for underperformance. In addition, LTIPs are not considered an effective means of incentivising performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature. Opposition is recommended.

*Vote Cast: Oppose*

**PETRONAS GAS AGM - 20-04-2021**

*2. Elect Farina Farikhullah Khan*

Non-Executive Director. Not considered independent as the director was previously employed by multiple affiliate companies as Chief Financial Officer.

*Vote Cast: Oppose*

### *3. Elect Adnan Zainol Abidin*

Non-Executive Chair. Not considered independent as the director has a relationship with the Company, which is considered material. He is CEO, PETRONAS Project Delivery and Technology. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *7. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 55.42% of audit fees during the year under review and 19.05% on a three-year aggregate basis. This level of non-audit fees raises 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*

## **RECORDATI SPA AGM - 20-04-2021**

### *1A. Accept Financial Statements and Statutory Reports*

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: 99.2, Abstain: 0.7, Oppose/Withhold: 0.1,

### *2A. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 84.1, Abstain: 1.7, Oppose/Withhold: 14.2,

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

It is proposed to approve the implementation of the remuneration report. 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: 95.1, Abstain: 0.1, Oppose/Withhold: 4.8,

### 3. Approve Stock Option Plan

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted stock options, each of which will give right to one share. This plan is characterised by the following new features compared to the previous 2018-2020 Stock Option Plan (which will remain in force to regulate the grant of options occurred in August 2018): three-year vesting period (vesting of all options after no less than 36 months from the grant date); the grant of options on an annual basis (so-called 'rolling' approach); the introduction of a different performance condition, determined with reference to the Adjusted Net Income cumulated over a three-year period, the achievement of which is necessary for the vesting and therefore for exercising the options for each cycle of the Plan; the introduction, for beneficiaries who are members of Recordati's top management, of a lock-up clause on 50% of the shares coming from options which have been exercised (and resulting after the sale of the shares necessary to cover the payment of the exercise price and the legal charges connected with the exercise of the options) for a period of 2 years from the vesting date; the introduction of an acceleration clause in case of change-of-control followed by delisting of the Company; Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. The vesting of three years is also considered to be short-term. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 75.6, Abstain: 1.4, Oppose/Withhold: 23.0,

### 4. Authorise Share Repurchase

It is proposed to authorise the Board to purchase Company's shares until the date of the approval of the financial statement as of 31st December 2021. 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: 99.9, Abstain: 0.0, Oppose/Withhold: 0.1,

## LOREAL SA AGM - 20-04-2021

### O.9. Approve the Remuneration Report for Corporate Officers

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

Vote Cast: *Oppose*

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

### O.10. Approve the Remuneration Report for the Chairman and CEO

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 not disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Additionally, 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 balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.1, Oppose/Withhold: 1.6,

*O.12. Approve Remuneration Policy for Mr Roger Agon*

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

*O.13. Approve Remuneration Policy for MR Hieronimus (from 01/05/2021)*

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: 93.0, Abstain: 0.1, Oppose/Withhold: 7.0,

*O.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*

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

*E.17. Issue Shares for Cash*

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

Vote Cast: *Oppose*

Results: For: 95.5, Abstain: 0.9, Oppose/Withhold: 3.6,

*E.20. Approve Issue of Shares for Employee Saving Plan with Cancellation of Pre-Emption Rights*

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

Vote Cast: *Oppose*

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

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

Authority for a capital increase for more than 2% of the share capital for employees participating to saving plans. The maximum discount applied will be 30% on the

market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the amount of the authorisation and the discount exceed guidelines. Opposition is therefore recommended.

Vote Cast: *Oppose*

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

## **ITALGAS S.P.A. AGM - 20-04-2021**

### *0.3.1. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director (variable remuneration corresponds to 177% of the salary at target and can be multiplied times 130% in case of overperformance). 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, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

### *0.3.2. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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. The company has disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. However, there are some concerns regarding some of the performance criteria, such as that of integration and governance new initiatives. These are not disclosed and although accounting for 10% of the total compensation (but whose assessment has returned in overperformance and a 130% multiplier) there are concerns that certain discretion could be used in the drafting and the measuring. On balance, abstention is recommended.

Vote Cast: *Abstain*

### *0.4. Approve Co-Investment Plan*

It is proposed a new incentive plan. Under the plan, the CEO and other executives will be awarded rights to receive shares in exchange for part of the reinvestment of their salary. The shares resulting from reinvestment will be matched by free shares awarded by the Company. While re-investment of the bonus in shares, or payment of part or all of the bonus in shares, are considered positive practice, share matching plans are viewed as a de facto discount for executives to buy company shares. They can eventually result in excessive payments versus performance. On this basis, opposition is recommended.

Vote Cast: *Oppose*

### *E.1. Authorize Board to Increase Capital to Service Co-Investment Plan*

The Board requests authority to repurchase and re-issue the shares to participants in the long term incentive plan proposed at the present meeting. Although companies have a legal duty to fund approved plans, this resolution is considered to be a proposal enabling the LTIP proposed. Based on the concerns on the resolution for the approval of the LTIP, opposition is recommended also on this resolution.

Vote Cast: *Oppose*

## HUNTING PLC AGM - 21-04-2021

### 1. *Receive the Annual Report*

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

Vote Cast: *Abstain*

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

### 2. *Approve Remuneration Policy*

**Policy Rating: CDC** Changes proposed: i) Reduction of the maximum award limits under the HPSP for the Chief Executive from 550% of base salary to 450%; and for the Finance Director from 450% of base salary to 210%, ii) Introducing a Post-Employment Shareholding Policy: executive Directors to hold shares equivalent to the lesser of their actual ownership at the date of stepping down as an executive Director, or 200% of salary for a minimum of 12 months and iii) New executive Directors appointed to the Board will be given a pension contribution of 12% of base salary, in line with the UK workforce.

Non-Executive Directors only receive fixed fees, which meets best practice. Executive remuneration at the Company consists of fixed salary, pension allowances, annual bonus and long term incentives. Total potential variable pay could reach 650% of the salary for the CEO and 360% of the salary for the CFO and is considered excessive. The performance criteria for the variable pay are financial and non-financial which is in line with best practices. More specific for the Annual Bonus the performance measures are: underlying PBT (60%), underlying ROCE (20%) and Personal Performance objectives (20%). For the Performance Share Plan performance measures are: ROCE (35%), EPS (25%), relative TSR (25%) and (15%) on a Strategic Scorecard which include: Group's Quality Assurance and Safety outcome across the performance period. The vesting period for the Performance share plan is three years which is not considered sufficiently long-term, however a two-year holding period apply which is welcomed. Malus and clawback Provisions apply to all the variable pay.

Vote Cast: *Oppose*

Results: For: 92.0, Abstain: 0.0, Oppose/Withhold: 8.0,

### 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. The CEO's salary is in the median of the Company's comparator group.

**Balance:**The balance of CEO realized pay with financial performance is unacceptable 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 position of CEO amounted to approximately 34.9% of salary, which is not considered excessive and is in line with the limit of 200% of salary. The ratio of CEO pay compared to average employee pay is 16:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 81.1, Abstain: 0.2, Oppose/Withhold: 18.7,

### 8. *Elect John (Jay) F. Glick - Chair (Non Executive)*

Non-Executive Chair of the Board and Chair of the Nomination Committee, Regardless of local practice or recommendations, or average percentage of diversity on the



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

Vote Cast: *Oppose*

Results: For: 94.9, Abstain: 3.8, Oppose/Withhold: 1.3,

#### 10. *Re-elect Arthur James (Jim)Johnson - Chief Executive*

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

Vote Cast: *Abstain*

Results: For: 99.0, Abstain: 0.7, 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: 91.4, Abstain: 0.1, Oppose/Withhold: 8.6,

#### 16. *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: 99.6, Abstain: 0.1, Oppose/Withhold: 0.3,

### **BUNZL PLC AGM - 21-04-2021**

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

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

Vote Cast: *Abstain*

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

### 3. *Re-elect Peter Ventress - Chair (Non Executive)*

Chair. Independent upon appointment.

It is not clear from company reporting that the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards, are being sufficiently addressed and acted upon. As Chair of the nomination committee, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 87.7, Abstain: 1.0, Oppose/Withhold: 11.3,

### 4. *Re-elect Frank van Zanten - Chief Executive*

Chief Executive. 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. In addition, 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: 95.5, Abstain: 0.0, Oppose/Withhold: 4.5,

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

PwC proposed. Non-audit fees represented 2.56% of audit fees during the year under review and 3.88% 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 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,

### 13. *Approve Remuneration Policy*

**Policy Rating: CCB** Changes proposed: i) the replacement of bi-annual grants of share options and performance shares with annual grants of restricted shares under the LTIP and ii) introduction of a formal post-cessation shareholding guideline.

All elements of each director's cash remuneration and pension contribution are disclosed. All share incentive awards are fully disclosed with award dates and prices. Information concerning the determination of non-executive directors' fees is disclosed. Total variable pay could reach 305% of the salary for the CEO and is deemed excessive since it is higher than 200%. 50% of the Annual Bonus is paid in cash and 50% is deferred to shares for a three year period which is in line with best practices. The proposed new Long-Term Incentive Plan (LTIP) is a restricted share awards which is not subject to performance measures but vesting is subject to the achievement of an underpin normally reviewed over the three financial years commencing with the financial year in which awards are granted. In assessing the underpin, in normal circumstances the Committee may consider the Group's overall performance, including financial and non-financial performance over the course of the vesting period and any material risk/regulatory failures identified. Financial performance may include elements like revenue, profitability, cash generation, and return on capital. Non-financial performance relates to strategic priority areas focused on delivering long term success of the Company and implementing the Group's long term strategy. The performance period is three years which is not considered sufficiently long-term, however a two year holding period applies which is welcomed. Malus and clawback provisions apply for all variable pay.

Vote Cast: *Abstain*

Results: For: 93.1, Abstain: 1.4, Oppose/Withhold: 5.5,

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

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The salary of the CEO is in line with the workforce since CEO salary increase by 3% in FY2020 and workforce salary increase by 3.2% in FY2020. The CEO's salary is in the median of the Company's comparator group

**Balance:** Changes in the CEO's total remuneration over the past five years are considered to be in line with changes in TSR during the same period. Total variable pay was excessive, amounting to 251.6 % of salary for the CEO (Annual Bonus: 180% & LTIP: 71.6%). The ratio of CEO pay compared to average employee pay is not acceptable at 66:1; it is recommended that the ratio does not exceed 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 94.4, Abstain: 1.4, Oppose/Withhold: 4.2,

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

It is proposed that authority for a new award type be added to the rules of Part B of the LTIP, specifically, scope for 'restricted share awards'. Such restricted share awards would consist of a contingent right to acquire shares at no or nominal cost as from the third anniversary of the grant of the award, subject to the grantee's continued service. A restricted share award's underpin conditions would be set and assessed by the Remuneration Committee and, in the case of restricted share awards to executive directors of Bunzl plc (the 'Company'), designed to have appropriate regard to the Group's overall performance, including financial and non-financial performance over the course of the award's vesting period and any material risk/regulatory failures identified. In addition, the amendments proposed will provide for an amount equivalent to the dividends that would have been payable on an award's vested shares between the date of grant and the vesting of the award. The limits of the award is at 125% of the salary and the value of the shares under restricted share awards for such purposes (and in practice therefore, the basis used to set the number of shares under such awards) will be the average of the closing prices for the Company's shares during the 60 day period preceding the grant of the awards, unless the Committee determines otherwise.

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

#### 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: 96.6, Abstain: 0.2, Oppose/Withhold: 3.2,

#### *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: 99.0, Abstain: 0.0, Oppose/Withhold: 1.0,

### **BANCA POPOLARE EMILIA ROMAGNA AGM - 21-04-2021**

#### *O.1.2. Approve the Dividend*

The financial statements for the year under review have not been disclosed at this time, making an informed assessment impossible. Abstention is recommended.

Vote Cast: *Abstain*

#### *O.7.1.1. 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*

#### *O.7.1.2. Approve the Remuneration Report*

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

## NATIONAL BANK OF GREECE EGM - 21-04-2021

### [1. Approve Sale of Equity Holding in Ethniki Hellenic General Insurance SA](#)

**Introduction & Background:** On 23 March 2021 the company announced that it come in agreement with CVC Capital Partners' Fund VII for the divestment of 90.01% of Ethniki Insurance (Ethniki). Morgan Stanley & Co. International plc and Goldman Sachs Bank Europe SE acted as financial advisors to NBG, Freshfields Bruckhaus Deringer LLP and Karatzas & Partners as international and local external legal counsels and EY as actuarial and accounting advisor. In addition, the Board of the Company received an independent valuation opinion from UBS Europe SE regarding the fairness of the transaction and legal advice from Skadden Arps Slate Meagher & Flom and Greek law professors.

**Proposal & Rationale:** The proposed transaction will corresponding to 100% of Ethniki would be EUR 505m, including an "earn-out" payment of up to EUR 120mn, which will be subject to meeting agreed upon performance targets for the bancassurance channel of the Company by 2026. The transaction includes a 15-year Bancassurance partnership. The completion of this transaction will allow the Company to fulfill the commitment made under the Restructuring Plan agreed between the Hellenic Republic and the EC following the receipt of State Aid by the company in 2012.

**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. It is considered that the Company has disclosed insufficient details of the transaction. Although there is a sufficient balance of independence on the board, abstention is recommended based on lack of disclosure.

*Vote Cast: Abstain*

## GRUPO AEROPORTUARIO DEL CENTRO NORTE AGM - 21-04-2021

### [V. Set Aggregate Nominal Amount of Share Repurchase](#)

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*

### [VI. 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*

## **ABN AMRO BANK AGM - 21-04-2021**

### *5.b. Appoint the Auditors: Ernst & Young Accountants LLP*

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*

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

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

*Vote Cast: Oppose*

### *7.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*

## **PGS-PETROLEUM GEO-SERVICES AGM - 21-04-2021**

### *5.2. Elect Anne Grethe Dalane*

Independent Non-Executive Director, 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, and abstention to the election of the Chair of the Committee is recommended to signal this concern.

*Vote Cast: Abstain*

### *5.3. Elect Richard Herbert*

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*

### *8. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 30 June 2022. 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*

#### *9.1. Approve Remuneration Policy 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. 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*

#### *10. 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*

#### *13. Approve Related Party Transaction*

Text Proposal to approve indemnification for the Board members and the CEO relating to liability and claims made against them arising out of their service for the Company. It is not considered appropriate in principle that shareholders should pay for liabilities that are incurred by Directors when not exercising their duties as directors.

*Vote Cast: Oppose*

### **DRAX GROUP PLC AGM - 21-04-2021**

#### *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 salary increase for the CEO was 3% for the year under review and the workforce salary increase by 3%. The CEO salary is below lower quartile in PIRC's comparator group.

**Balance:** Changes in the outgoing CEO's total pay over the last five years are commensurate with the changes in TSR performance over the same period. The variable pay for the year under review was excessive at 217.75% of the salary. The ratio of CEO pay compared to average employee pay is marginally not acceptable at 21:1. PIRC consider a ratio of 20:1 as appropriate.

Rating: AC

Vote Cast: *Abstain*

Results: For: 98.2, Abstain: 1.1, Oppose/Withhold: 0.6,

#### 4. *Re-elect Philip Cox - Chair (Non Executive)*

Chair. Independent upon appointment and Chair of the nomination committee.

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

At this time, the company has not reported its progresses made on the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards. As chair of the nomination committee, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 91.2, Abstain: 0.0, Oppose/Withhold: 8.8,

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

Deloitte proposed. Non-audit fees represented 21.64% of audit fees during the year under review and 65.52% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is recommended.

Vote Cast: *Oppose*

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

#### 13. *Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 125,000. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the aggregate total amount exceeds recommended limits. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.0, Abstain: 1.1, Oppose/Withhold: 0.9,

#### 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: 98.1, Abstain: 0.2, Oppose/Withhold: 1.8,

### **CANADIAN PACIFIC RAILWAY LIMITED AGM - 21-04-2021**

#### 1. *Ratify Deloitte LLP as Auditors*

Deloitte proposed. Non-audit fees represented 0.15% of audit fees during the year under review and 2.73% 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*

#### *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: ACC. Based on this rating, abstention is recommended.

*Vote Cast: Abstain*

### **AYALA LAND INC AGM - 21-04-2021**

#### *5. Ratify Acts of the Board of Directors and Officers*

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. Amend Existing Executive Stock Ownership Plan (ESOWN)*

The board seek to approve the amendment of the Company's Employee Stock Ownership (ESOWN) Plan to increase the share allocation for ESOWN grants from the current limit of 2.5% to 3% of the Company's authorized capital stock equivalent to 100 million common shares bringing the total allocation to 600 million common shares. The board states that the increase in the allocation is to continue the effective reward mechanism that has enabled the Company to attract, reward and retain key talents in the organization. There is no performance criteria attached. Therefore, an oppose vote is recommended.

*Vote Cast: Oppose*

#### *8. Re-elect Fernando Zobel de Ayala - Chair (Non Executive)*

Non-Executive Chair. Not considered to be independent as he is connected to Ayala Corp, a significant shareholder of the Company. In addition, he has been on the Board for more than nine years. Fernando Zobel de Ayala and Jaime Augusto Zobel de Ayala, the Vice Chair, are brothers. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *9. Re-elect Jaime Augusto Zobel de Ayala - Vice Chair (Non Executive)*

Non-Executive Director. Not considered to be independent as he is connected to Ayala Corp, a significant shareholder of the Company. In addition, he has been on the

Board for more than nine years. Fernando Zobel de Ayala, the Chair, and Jaime Augusto Zobel de Ayala are brothers. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*11. Re-elect Antonino Aquino - 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*

*12. Re-elect Arturo Corpuz - Non-Executive Director*

Non-Executive Director. Not considered independent as he was an employee of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*14. Re-elect Rex Mendoza - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was previously employed by the Company as Senior Vice President and Chief Marketing and Sales Officer of Ayala Land, Inc. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*15. Re-elect Sherisa Nuesa - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder. She was previously employed by the Company as Managing Director of Ayala Corporation and previously served in various capacities in Ayala Corporation and Ayala Land, Inc. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*16. Re-elect Cesar Purisima - Non-Executive Director*

Non-Executive Director. Not considered to be independent, as this director is considered to be in a material connection with the newly-appointed auditor: SGV & Co. He was an auditor partner until an undisclosed date. Therefore, the cool-off period cannot be calculated. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*18. 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*

## NOS SGPS S.A AGM - 21-04-2021

### 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. 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*

### 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*

## SERCO GROUP PLC AGM - 21-04-2021

### 1. *Receive the Annual Report*

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

Vote Cast: *Abstain*

Results: For: 98.2, Abstain: 1.6, Oppose/Withhold: 0.2,

### 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 salary for the CEO do not increase and the workforce salary increase by 1.9%. The CEO salary is on the upper quartile (top 25%) in PIRC's comparator group, which raises concerns for excessiveness.

**Balance:** The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over the last five years is not aligned to the change in TSR over the same period. Total variable pay for the year under review is excessive at 452.7% of salary for the CEO, total variable pay should be limited to 200% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 61:1; the ratio should not exceed 20:1.

Rating: AE

Vote Cast: *Oppose*

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

### 3. *Approve Remuneration Policy*

**Policy Rating: CDC** Changes Proposed: i) Reduction in the maximum opportunity for new Executive Directors from a maximum of 20% of salary to that available to the wider workforce (currently 8% of salary), ii) Increase in the in-employment shareholding guideline for other Executive Directors (to align with the guideline for the CEO) from 150% to 200% of salary, iii) Introduction of a post-employment holding requirement equal to 100% of the in-employment guideline (or actual shareholding on cessation if lower) for the first 12 months and 50% of the in-employment guideline (or actual shareholding on cessation if lower) for the next 12 months following cessation, iv) Annual Bonus: Introduction of ESG metrics as potential non-financial performance measures and v) LTIP award: Introduction of ESG metrics as potential non-financial performance measures.

Overall disclosure is considered adequate

**Balance:** The maximum potential award under all incentive schemes is 375% of base salary which is excessive. There is compulsory deferral into shares vesting after three years of any bonus earned over 100% of salary. PIRC would prefer to see at least half of any cash bonus earned to be deferred in the form of deferred shares. The performance metrics for both the Annual Bonus and PSP awards are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met which does not meet best practice. There does not appear to be an 'Exceptional' limit for recruitment included in the policy which is welcome. However, the Remuneration Committee has the discretion to determine whether a director qualifies as a "good leaver" which is not considered appropriate.

Vote Cast: *Oppose*

Results: For: 94.4, Abstain: 0.2, Oppose/Withhold: 5.4,

### 8. *Re-elect Rupert Soames - Chief Executive*

Chief Executive. Acceptable service contract provisions.

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

### 9. *Re-elect Kirsty Bashforth - Designated Non-Executive*

Designated non-executive director 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.

As the Chair of the Corporate Responsibility Committee is considered to be accountable for the Company's sustainability programme, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

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

### 13. *Re-appoint KPMG LLP as auditor of the Company*

KPMG proposed. Non-audit fees represented 0.00% of audit fees during the year under review and 1.85% 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 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: 0.0, Oppose/Withhold: 1.6,

#### *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: 95.5, Abstain: 0.0, Oppose/Withhold: 4.5,

#### *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: 97.6, Abstain: 0.1, Oppose/Withhold: 2.3,

#### *19. Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 100,000. 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. Although this is within recommended limits, it is noted this resolution registered a significant number of oppose votes of 17.78% at the 2019 AGM which has not been adequately addressed. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 87.3, Abstain: 0.1, Oppose/Withhold: 12.6,

## IBSTOCK PLC AGM - 22-04-2021

### 1. *Receive the Annual Report*

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

Vote Cast: *Abstain*

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

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

Non-Executive Chair of the Board and Chair of the Nomination Committee

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

Vote Cast: *Oppose*

Results: For: 85.0, Abstain: 4.9, Oppose/Withhold: 10.1,

### 13. *Approve the Ibstock Senior Managers Share Plan ("SMSP")*

It is proposed to approve the Ibstock Senior Managers Share Plan ("SMSP"). Under the plan eligible to participate are employees of the Company and its subsidiaries. Participants are granted a right to receive ordinary shares and they do not pay for their award. The award can take the form of (i) a conditional right to acquire ordinary shares in the future at no cost to the participant or (ii) an option to acquire ordinary shares (with or without an option price). The performance condition relates to the Company's adjusted EBITDA across two financial years, 2021 and 2022, with 50% of the award vesting for meeting threshold performance and 100% of the award vesting for meeting target performance. Vesting period is two 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 incentivizing performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

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

### 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: 98.6, Abstain: 0.0, Oppose/Withhold: 1.4,

### 18. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 98.6, Abstain: 0.0, Oppose/Withhold: 1.3,

## **MONCLER SPA AGM - 22-04-2021**

### O.1.1. *Accept Financial Statements and Statutory Reports*

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: 99.8, Abstain: 0.1, Oppose/Withhold: 0.1,

### O.3. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 5% 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: 70.2, Abstain: 0.8, Oppose/Withhold: 29.0,

### O.5.2. *Elect Carlo Rivetti - Non-Executive Director*

The co-optation of this director is part of the purchase transaction by Moncler S.p.A. ("Moncler" or the "Company") of a shareholding equal to the 100% of the Sportswear Company S.p.A.'s share capital ("SPW" and the "Shareholding"), company owner of the Stone Island brand, disclosed to the market on December 7th, 2020, and it is aimed to facilitate the integration of the two groups through the entry of Mr. Carlo Rivetti in the Company's Board of Directors, majority shareholder of SPW (through Rivetex S.r.l. company) before the purchase of the Shareholding by Moncler.

Non-Executive Director. Not considered independent as he was the majority shareholder of SPW (through Rivetex S.r.l. company) before the purchase of the Shareholding by Moncler on 23 February 2021. There is sufficient independent representation on the Board. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 99.9, Abstain: 0.0, Oppose/Withhold: 0.1,

## HOLMEN AB AGM - 22-04-2021

### 12.a. *Elect Fredrik Lundberg*

Chair (Non Executive) and member of the Audit Committee. Not considered to be 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. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*

### 12.b. *Elect Carl Bennet*

Non-Executive Director, member of the Remuneration Committee. Not considered to be independent owing to a tenure of over nine years and as he is Board Member of Lundbergföretagen, which holds the majority of the company's issued share capital and voting rights. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*

### 12.c. *Elect Lars Josefsson*

Independent Non-Executive Director, Member 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, and abstention to the election of the Chair of the Committee is recommended to signal this concern.

Vote Cast: *Oppose*

### 12.d. *Elect Lars G Josefsson*

Non-Executive Director, member of the Remuneration Committee. Not considered independent owing to a tenure of over nine years. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*

### 12.e. *Elect Alice Kempe*

Non-Executive Director, member of the Remuneration Committee. Not considered independent as she is the Chair of Kempe Foundations, a significant shareholder of the Company. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*



#### *12.f. Elect Louise Lindh*

Non-Executive Director, member of the Remuneration Committee. 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. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *12.g. Elect Ulf Lundahl*

Non-Executive Director and member of the Audit Committee. 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. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

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

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

*Vote Cast: Oppose*

#### *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*

### **STHREE PLC AGM - 22-04-2021**

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

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

Vote Cast: *Abstain*

Results: For: 96.1, Abstain: 3.9, Oppose/Withhold: 0.0,

#### 4. *Elect Mark Dorman - Chief Executive*

Chief Executive. The Chief Executive is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 96.5, Abstain: 3.4, Oppose/Withhold: 0.1,

#### 7. *Re-elect James Bilefield - Chair*

Chair. Independent upon appointment. In addition, Mr. Bilefield is chair of the nomination committee.

At this time, the report of the progresses made on the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards, is not considered to be sufficient. As chair of the nomination committee, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 92.2, Abstain: 3.4, Oppose/Withhold: 4.4,

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

PwC proposed. Non-audit fees represented 0.13% of audit fees during the year under review and 1.83% 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 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: 84.4, Abstain: 6.5, Oppose/Withhold: 9.0,

#### 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: 96.4, Abstain: 0.1, Oppose/Withhold: 3.5,

### **IGUATEMI EMPRESA DE SHOP CTR AGM - 22-04-2021**

#### *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. 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 23.087 million. Variable remuneration for executives would correspond to up to 198% 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*

### **AGEAS NV EGM - 22-04-2021**

#### *2.4.2. Approve Authority to Increase Authorised Share Capital and Issue Shares*

The board seek to approve amendment of article 6, proposal to: (i) authorize, for a period of three years to increase the company capital, by a maximum amount of EUR 150,000,000, enabling the issuance of 19,000,000 shares, representing approximately 10% of the total share capital of the Company; (ii) cancel the unused balance of the authorized capital; (iii) modify article 6 a) of the Articles of Association accordingly, as set out in the special report by the Board of Directors.

It is proposed to issue new shares with pre-emptive rights for up less than 50% of the current share capital. However, the duration of the proposed authority exceeds 26 months. On this ground, opposition is recommended.

Vote Cast: *Oppose*

### *3. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 15% and 24 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*

## **RAIFFEISEN BANK INTERNATIONAL AG AGM - 22-04-2021**

### *5. Approve Remuneration of Supervisory Board Members*

The Nomination and Compensation Committee of the Supervisory Board proposes that the board members' annual compensation be increased as follows: Chair of the Supervisory Board EUR 120,000 (previously 120,000), Vice Chairman EUR 95,000 (90,000) and board members EUR 60,000 (60,000) per year, and for the Chairman of the Audit Committee and the Risk Committee: an additional EUR 17,500 (previously 10,000). The proposed increase is 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*

## **DEXUS PROPERTY GROUP EGM - 22-04-2021**

### *1. Approve Unstapling of the Units in DXO, DDF, DIT and DOT Pursuant to Each of their Constitutions*

The board is seeking shareholder approval for the unstapling of the units in DXO, DDF, DIT and DOT pursuant to each of their constitutions.

#### **Introduction:**

On 9 February 2021, Dexus announced that it was considering making changes to simplify the Dexus corporate structure. It is noted the board of the responsible entity has considered these proposed changes and believes they are in the best long-term interests of security holders. It is noted the simplification involves : The unstapling of the units in DXO from the units in DDF, DIT and DOT; the issue of units in DPT to security holders (excluding ineligible foreign security holders) equivalent to the number of Dexus stapled securities they hold, the acquisition by DPT (or its nominee) of all the units in DDF, DIT and DOT from security holders.

#### **Recommendation:**

The Proposed transaction has been adequately described and justified by the Board which is welcomed, however significant governance concerns has been identified. There is insufficient balance of independent representation on the Board which fails to provide assurance that the proposed transaction is undertaken with appropriate independent judgement and oversight. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

### *2. Approve Amendments to the Constitutions*

The board is seeking shareholder approval for the amendment of the constitutions of each Dexus Trust to enable the simplification to be implemented, including in respect of the Target Dexus Trusts, the appointment of the responsible entity as attorney to apply for DPT units and execute a transfer of units of DDF, DIT and DOT and to implement the sale facility. In line with vote recommendations for Resolution 1, an oppose vote is recommended.

Vote Cast: *Oppose*

### 3. Approve Acquisition

The board is seeking shareholder approval of the simplification for all purposes, including for the purposes of item 7 of section 611 of the Corporations Act. It is worth noting that significant governance concerns have been identified and as a result the resolutions regarding the simplifications cannot be supported. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

## SEGRO PLC AGM - 22-04-2021

### 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 since the CEO salary decrease by 2.2% for the year under review and the workforce salary increase by 6%. The salary of the CEO is on the upper quartile of competitors group which raises concerns of potential excessiveness.

**Balance:**The balance of CEO realized pay with financial performance is considered acceptable as the change in CEO total pay over the last five years is aligned to the change in TSR over the same period. Total variable pay for the year under review is considered excessive at 421.35% of the salary (Annual Bonus: 147.05% & LTIP: 274.3%). The ratio of CEO pay compared to average employee pay is acceptable at 15:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 94.9, Abstain: 0.5, Oppose/Withhold: 4.5,

### 13. Re-appoint PricewaterhouseCoopers LLP as Auditors

PwC proposed. Non-audit fees represented 10.10% of audit fees during the year under review and 10.42% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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 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,

#### 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: 97.4, Abstain: 0.1, Oppose/Withhold: 2.5,

#### 19. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 1.0, Oppose/Withhold: 0.6,

### **TELEFONICA SA AGM - 22-04-2021**

#### IV.1. *Elect José María Álvarez-Pallete López - 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: 84.6, Abstain: 0.3, Oppose/Withhold: 15.1,

#### IV.3. *Elect Ignacio Moreno Martínez - Non-Executive Director*

Non-Executive Director. Not considered independent as he represents Banco Bilbao Vizcaya Argentaria, S.A., which holds a significant percentage of the issued share capital. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 91.0, Abstain: 1.3, Oppose/Withhold: 7.8,

#### IV.4. *Elect Francisco José Riberas Mera - 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: 69.6, Abstain: 1.3, Oppose/Withhold: 29.0,

#### *IX. 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: 89.0, Abstain: 4.4, Oppose/Withhold: 6.6,*

#### *X. Approve new long term incentive scheme*

The Board proposes the approval of a new executive incentive plan, consisting of the delivery of shares of Telefónica, S.A. The Plan will have a total duration of five years and will be divided into three mutually exclusive cycles of three years each. The maximum total number of shares of Telefónica, S.A. that are to be delivered to the Participants at the end of each of the cycles in implementation of the Plan will be the result of dividing the maximum amount allocated to each cycle by the average weighted listing price of the shares of Telefónica, S.A. The specific number of shares of Telefónica will be subject to and determined by the achievement of economic/financial objectives consisting of the creation of shareholder value and, if applicable, objectives linked to sustainability, the environment or corporate governance. In the first cycle of the Plan, the number of shares to deliver will depend: 50% on achievement of the total shareholder return (hereinafter, as defined below, the "TSR") objective for shares of Telefónica, S.A. and 50% on the generation of free cash flow of the Telefónica Group (the "FCF"). Shares will start vesting after three years, which is not considered sufficiently long term. It is considered best practice to base long term incentives on at least two sets of criteria, of which at least one non-financial indicator, which should work interdependently.

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

*Vote Cast: Oppose*

*Results: For: 97.2, Abstain: 1.2, Oppose/Withhold: 1.5,*

#### *XII. 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: 88.8, Abstain: 3.6, Oppose/Withhold: 7.6,*

### **PT ASTRA INTERNATIONAL TBK AGM - 22-04-2021**

#### *4. Approve Composition and Remuneration of Board*

Election of directors and commissioners is bundled in one resolution. While there is biographical disclosure for the proposed directors and commissioners, it has not been made clear which individuals will be appointed to which board. This makes it impossible to provide an informed assessment. Additionally, the proposed remuneration of directors and commissioners has not been disclosed in English language, sufficiently far in advance of the meeting. Therefore, an abstain vote is recommended.

Vote Cast: *Abstain*

#### 5. *Appoint the Auditors*

Tanudiredja, Wibisana, Rintis & Rekan 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*

### TEXAS INSTRUMENTS INCORPORATED AGM - 22-04-2021

#### 1.d. *Elect Carrie S. Cox - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of more than 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*

Results: For: 95.1, Abstain: 0.4, Oppose/Withhold: 4.6,

#### 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: EDB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.8, Abstain: 0.2, Oppose/Withhold: 12.0,

#### 3. *Appoint the Auditors*

EY proposed. Non-audit fees represented 24.29% of audit fees during the year under review and 24.32% 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: 94.6, Abstain: 0.2, Oppose/Withhold: 5.2,

### PFIZER INC. AGM - 22-04-2021

#### 1.1. *Elect Ronald E. Blaylock - 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: 0.5, Oppose/Withhold: 2.1,

#### 1.2. *Elect Albert Bourla - 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: 0.8, Oppose/Withhold: 5.8,

#### 1.4. *Elect Joseph J. Echevarria - 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: 84.1, Abstain: 0.7, Oppose/Withhold: 15.1,

#### 1.5. *Elect Scott Gottlieb - 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: 98.9, Abstain: 0.5, Oppose/Withhold: 0.7,

#### 1.8. *Elect Dan R. Littman - 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: 98.7, Abstain: 0.5, Oppose/Withhold: 0.8,

#### 1.10. *Elect Suzanne Nora Johnson - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is 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: 95.4, Abstain: 0.4, Oppose/Withhold: 4.2,

#### 2. *Ratify KPMG LLP as Auditor*

KPMG proposed. Non-audit fees represented 9.69% of audit fees during the year under review and 10.90% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. 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: 95.0, Abstain: 0.4, Oppose/Withhold: 4.6,

### 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: 92.0, Abstain: 0.9, Oppose/Withhold: 7.1,

## LOCKHEED MARTIN CORPORATION AGM - 22-04-2021

### 1.02. *Elect David B. Burritt - 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, it is noted that the director is a member of audit committee which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 95.9, Abstain: 0.9, Oppose/Withhold: 3.2,

### 1.05. *Elect James O. Ellis Jr. - 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, it is noted that the director is a member of audit committee which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.6, Abstain: 0.9, Oppose/Withhold: 2.6,

### 1.06. *Elect Thomas J. Falk - 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, it is noted that the director is the Chair of audit committee which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.5, Abstain: 0.9, Oppose/Withhold: 1.7,

### 1.11. *Elect James D. Taiclet, 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: 96.6, Abstain: 1.4, Oppose/Withhold: 2.0,

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

EY proposed. Non-audit fees represented 11.06% of audit fees during the year under review and 9.96% on a three-year aggregate basis. This level of non-audit fees

does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 96.5, Abstain: 0.5, Oppose/Withhold: 3.0,

### 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: ADA. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 91.3, Abstain: 1.5, Oppose/Withhold: 7.2,

## JOHNSON & JOHNSON AGM - 22-04-2021

### 1c. *Elect Ian E. L. Davis - 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, it is noted that the director is a member of the audit committee which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 0.3, Oppose/Withhold: 2.0,

### 1e. *Elect Alex Gorsky - 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: 92.8, Abstain: 0.7, Oppose/Withhold: 6.5,

### 1h. *Elect Mark B. McClellan - 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: 98.8, Abstain: 0.3, Oppose/Withhold: 0.9,

### 1i. *Elect Anne M. Mulcahy - Lead Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is a member 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: 88.2, Abstain: 1.2, Oppose/Withhold: 10.7,

#### 11. *Elect Mark A Weinberg - 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: 98.8, Abstain: 0.3, Oppose/Withhold: 0.9,

#### 1n. *Elect Ronald A. Williams - 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, it is noted that the director is the Chair of the remuneration committee which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

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

#### 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: ACB. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 53.9, Abstain: 5.0, Oppose/Withhold: 41.1,

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

PwC proposed. Non-audit fees represented 6.49% of audit fees during the year under review and 6.72% 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: 94.9, Abstain: 0.2, Oppose/Withhold: 4.9,

### **BANK OF PHILIPPINE ISLANDS AGM - 22-04-2021**

#### 4. *Approve Annual Report and Audited Financial Statements*

At this time, the financial statements have not been made available. Although not uncommon in this market, it is considered a serious reporting omission. Opposition is recommended.

Vote Cast: *Oppose*

#### 5. *Ratification of the Acts of Board of Director and Officers*

Although no evidence of wrongdoing has been identified at this time, abstention is recommended due to the lack of financial statements or annual report for the year under review, which prevents shareholders from making an informed decision.

*Vote Cast: Abstain*

*6. Elect Jaime Augusto Zobel de Ayala II - 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*

*7. Elect Fernando Zobel de Ayala - Non-Executive Director*

Non-Executive Director. Not considered to be independent as the director is the President and Chief Executive Officer of Ayala Corp, a substantial shareholder of the Company, and the holding company of the Ayala Group; which is the controlling shareholder of the Company. The director is a member of the Ayala family, the founder of the Ayala Group of companies. In addition, he has been on the Board for more than nine years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*8. Elect Romeo Bernardo - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has served on the Board for more than nine years and there are concerns over the director's aggregate time commitments. In addition, Mr. Bernardo serves as non-executive director of a number of Ayala group companies, the controlling shareholder of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*9. Elect Ignacio Bunye - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is a former employee. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*11. Elect Ramon Del Rosario Jr - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Ayala Corporation. There are also concerns over the director's potential aggregate time commitments. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*12. Elect Octavio Espiritu - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years, the director is a former employee and there are concerns over the director's potential aggregate time commitments. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*13. Elect Rebecca Fernando - Non-Executive Director*

Non-Executive Director. Not considered independent owing to tenure of over nine years and the director is an Executive of The Roman Catholic Archbishop of Manila, a significant shareholder of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*14. Elect Jose Teodoro Limcaoco - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder the Ayala Corporation in which the director is a Chief Financial Officer. In addition, there are concerns over the director's potential aggregate time commitments. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*15. Elect Aurelio Montinola - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was previously employed by the Company as Chief Executive Officer for eight years. Additionally, he is not considered independent owing to a tenure of over nine years and there are concerns over the director's potential aggregate time commitments. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*16. Elect Mercedita Nollado - Non-Executive Director*

Non-Executive Director. Not considered independent the director is a representative of Ayala Corp., a substantial shareholder of the Company, and the holding company of the Ayala group of companies, the controlling shareholder of the Company. In addition, the director has been on the Board for more than nine years and there are concerns over the director's potential aggregate time commitments. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*17. Elect Antonio Jose Periquet - Non-Executive Director*

Non-Executive Director. Not considered independent as the director sits on the Board of Ayala Corporation, a substantial shareholder in the Company, and the holding company of the Ayala Group, which is the controlling shareholder of the Company. Additionally, there are concerns over the director's potential aggregate time commitments and a tenure over nine years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*18. Elect Cesar V. Purisima - 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*

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

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*

### 22. *Approval of Merger of BPI Family Savings Bank Inc. into the Bank of the Philippine Islands*

The proposed merger of BPI Family Savings Bank, Inc. into Bank of the Philippine Islands approved by the respective Board of Directors on January 20, 2021 will be presented to the stockholders for approval. At this time, insufficient information has been disclosed in English to allow shareholders to make an informed decision on the proposal. For this reason, abstention is recommended.

Vote Cast: *Abstain*

### 23. *Approve Authority to Increase Authorised Share Capital*

Authority is sought to increase the authorised share capital of the Company up to 5.0 billion shares. 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.

Vote Cast: *Abstain*

### 24. *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*

## **AGGREKO PLC AGM - 22-04-2021**

### 1. *Receive the Annual Report*

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

Vote Cast: *Abstain*

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

### 3. *Approve Remuneration Policy*

**Policy Rating: BCC** Changes proposed: i) Introduction of a restricted stock plan to replace the performance share plan, ii) Pension contributions for new Executives

are set with those available to the workforce (currently 9% of the salary), iii) introduction of a post-cessation share ownership requirement. Executive Directors will be expected to maintain a minimum shareholding of 250% of salary (or actual shareholding if lower) for the first year following stepping down as an Executive Director and 125% of salary for the second year and, iv) Bonus Deferral: As of 2021 50% of the Bonus will be paid in cash and 50% will defer to shares for a three year period.

Some of the changes made to the remuneration policy are commendable, such as the introduction of a post-cessation guidelines, the deferral part of the Annual Bonus and the reduction of maximum opportunity on the new restricted share plan (RSP). The decrease in the variable pay opportunity is linked with the introduction of a restricted share awards. However, there are still concerns that total potential awards under all incentive schemes which can amount up to 300% which exceeds the recommended threshold of 200% of salary. The payment of dividend equivalents on vested Bonus and RSP is considered inappropriate. It is considered that dividend payments must warrant subscription to the company's share capital, which is not case on this plan. It is also noted that the Remuneration Committee can use upside discretion on both the termination and recruitments contracts, which is considered inappropriate.

On termination, the committee can make additional payments in exchange for non-compete/non-solicitation terms, which may be excessive. In the case of change of control, the Remuneration Committee may determine in exceptional circumstance to allow share awards to vest to an extent deemed inappropriate. On recruitment, the Committee may alter the performance measures, performance period, reference salary and vesting period of the Annual Bonus, L or RSP, which may result in excessive payments outside the policy limits. Such high level of discretions are not considered in line with shareholders' interest.

Vote Cast: *Abstain*

Results: For: 85.9, Abstain: 7.1, Oppose/Withhold: 6.9,

#### 6. *Re-elect Ken Hanna - 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 Hanna is chair of the nomination committee.

At this time, the company has not reported its progresses made on the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards. Overall an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 84.8, Abstain: 10.7, Oppose/Withhold: 4.5,

#### 7. *Re-elect Chris Weston - Chief Executive*

Chief Executive. Acceptable service contract provisions. The Chief Executive is the director responsible for the sustainability matters of the company, so 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: 98.3, Abstain: 1.6, Oppose/Withhold: 0.1,

#### 15. *Re-appoint KPMG LLP as auditor of the Company*

KPMG proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when 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: 95.3, Abstain: 0.7, Oppose/Withhold: 4.0,

#### 18. *Approve New Executive Share Option Scheme/Plan*

It is proposed to approve a restricted share plan for the Executives officers which shall replace the Long-term Incentive Plan of the Company. The Remuneration Committee would receive the authority to set the conditions of the plan. After allotment, shares will be restricted for five years, which is considered to be sufficiently long term. The Company states that performance underpins, whereby an award will not vest unless performance is sufficient to warrant vesting exercise of shares. awards will be reduced if ROCE, revenue growth (both referencing 2019 performance) and/or delivery of the Board's agreed strategy for the repositioning of our environmental impact is not considered by the Remuneration Committee to be at an acceptable level.

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: 94.2, Abstain: 2.9, Oppose/Withhold: 2.9,

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

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

Vote Cast: *Oppose*

Results: For: 82.8, Abstain: 1.3, Oppose/Withhold: 15.9,

#### 22. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 92.0, Abstain: 0.8, Oppose/Withhold: 7.2,

## MERCIALYS AGM - 22-04-2021

### *O.4. Approve Compensation Report of Corporate Officers*

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

*Vote Cast: Oppose*

### *O.6. Approve Compensation of Vincent Ravat, CEO*

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

*Vote Cast: Oppose*

### *O.7. Approve Compensation of Élisabeth Blaise, Vice-CEO*

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

*Vote Cast: Oppose*

### *O.9. Approve Remuneration Policy of Vincent Ravat, CEO*

It is proposed to approve the remuneration policy for the CEO Mr. Vincent Ravat. 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*

### *O.10. Approve Remuneration Policy of Élisabeth Blaise, Vice-CEO*

It is proposed to approve the remuneration policy for the deputy-CEO Mrs Élisabeth Blaise. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a

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

*Vote Cast: Oppose*

*O.15. Reelect La Forézienne de Participations, represented by David Lubeck - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is the representative of La Forézienne de Participations, a significant shareholder. There are concerns over the director's potential aggregate time commitments. is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*O.16. Elect Generali Vie, represented by Sebastien Pezet - Non-Executive Director*

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

*Vote Cast: Oppose*

*O.17. Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

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*

*E.20. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 18.4 Million*

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

*Vote Cast: Oppose*

*E.21. Approve Issuance of Equity or Equity-Linked Securities Reserved for Qualified Investors, up to Aggregate Nominal Amount of EUR 18.4 Million*

The Board requests authority to approve an authority for the issue of shares by private placement. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

*Vote Cast: Oppose*

*E.23. Authorize Board to Increase Capital in the Event of Additional Demand*

The Board requests authority for using the previous delegation to issue shares in the event of a public offer on the share capital of the Company. This is considered an anti-takeover measure which can be used to entrench under-performing management in the event of a hostile takeover. On this basis, opposition is recommended.

Vote Cast: *Oppose*

**E.25. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment**

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

Vote Cast: *Oppose*

**E.28. Approve Issue of Shares for Employee Saving Plan**

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

Vote Cast: *Oppose*

**AKZO NOBEL NV AGM - 22-04-2021**

**3.a. Approve Financial Statements**

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the Annual Report.

Vote Cast: *Abstain*

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

**3.d. Approve the Remuneration Report**

It is proposed to approve the implementation of the remuneration report. 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: 49.7, Abstain: 0.0, Oppose/Withhold: 50.3,

**4.a. Discharge the Management 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. 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, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 95.7, Abstain: 0.9, Oppose/Withhold: 3.4,

#### 4.b. *Discharge the Supervisory 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. 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, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 87.7, Abstain: 0.9, Oppose/Withhold: 11.3,

#### 5.a. *Approve Remuneration Policy for Management Board*

It is proposed to approve the remuneration policy for the management board. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 84.7, Abstain: 1.8, Oppose/Withhold: 13.4,

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

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

Vote Cast: *Oppose*

Results: For: 95.7, Abstain: 0.0, Oppose/Withhold: 4.3,

#### 9. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### **WOLTERS KLUWER NV AGM - 22-04-2021**

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

It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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: 95.6, Abstain: 0.4, Oppose/Withhold: 4.0,

#### 5.a. *Re-Elect Frans Cremers - Chair (Non Executive)*

There is not Sustainability Committee and therefore its Chair is not up for election. Therefore, the Chair of the Board is considered accountable for the Company's Sustainability programme and the programme is not considered adequate to minimise the material risks linked to sustainability. The Chair is considered to be accountable for the Company's sustainability programme, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.6, Abstain: 0.2, Oppose/Withhold: 1.2,

#### 7. *Approve Remuneration Policy for Management Board*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

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

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

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

Vote Cast: *Oppose*

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

#### 9. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 99.3, Abstain: 0.1, Oppose/Withhold: 0.6,

### **BREMBO SPA AGM - 22-04-2021**

#### 0.5. *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*

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

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

*Vote Cast: Oppose*

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

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

### **GOL LINHAS AEREAS INTELIGENTES AGM - 22-04-2021**

#### [4. Elect Board: Slate Election](#)

Proposal to re-elect 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*

#### [5. Approve Maximum Remuneration](#)

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 24 million. Variable remuneration for executives would correspond to up to 491% 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*

## ELLAKTOR SA EGM - 22-04-2021

### *1. Shareholder Resolution: Revocation of all the members of the Board of Directors of the Company*

Greenhill Investments Limited, holding 36,314,000 common, registered shares, proposed the revocation of all the members of the Board of Directors of the Company. The Board states that, it was appointed by the Extraordinary General Meeting held following a postponement on January 27th, 2021, by an absolute majority, i.e. 61.14% for and 38.77% against, took charge and within a period of about one month, has proceeded to every possible effort to achieve business objectives and maximize the value of the Company and the ELLAKTOR Group for the benefit of all shareholders of the Company. The new Administration proceeds to changes and improvements in the way the Company and Group are organized and operated, on the basis of the following: i) Construction: priority to raise funds to cleanse the sector. Restructuring plan for the sector, focusing on projects where the Group maintains a competitive advantage in experience and exploiting the accumulated knowhow of the most experienced executives. ii) Concessions: capitalization of the leadership position of the Group for new concession projects, iii) Wind farms: implementation of the existing investment plan and exploitation of the projected positive cash flows, iv) Environment (waste management): challenging for the multiple opportunities existing mainly in Greece and v) Real Estate: improvement of the efficiency of the company and development of the real estate under its management. The Board of Directors is in the middle of its statutory term. The prudent and useful way of administration and management of corporate affairs was approved by the vast majority of the company's shareholders during the mention Extraordinary General Meeting above. Furthermore, on the date of the convening of the Extraordinary General Meeting, the minority shareholder applicants who requested its convening by raising, among others, this agenda item, did not submit any comment or draft decision to the Company and its shareholders. Based on the lack of information by the shareholders' opposition is recommended.

*Vote Cast: Oppose*

### *2. Shareholder Resolution: Election of a new Board of Director of the Company*

Greenhill Investments Limited, holding 36,314,000 common, registered shares, proposed the election of a new Board .The Board states that, based on the comments it provide for resolution 1, it has been recently approve by the shareholders in the Extraordinary meeting on January 27th, 2021, by an absolute majority, i.e. 61.14% for and 38.77% against, took charge and within a period of about one month, has proceeded to every possible effort to achieve business objectives and maximize the value of the Company and the ELLAKTOR Group for the benefit of all shareholders of the Company. The new Administration proceeds to changes and improvements in the way the Company and Group are organized and operated. In addition, the on the date of the convening of the Extraordinary General Meeting, the minority shareholder applicants who requested its convening by raising, among others, this agenda item, did not submit any comment or draft decision to the Company and its shareholders. Based on the lack of information by the shareholders' opposition is recommended.

*Vote Cast: Oppose*

### *3. Shareholder Resolution: Revocation of all the members of the Audit Committee of the Company*

Greenhill Investments Limited, holding 36,314,000 common, registered shares, based on article article 44 of L 4449/2017 proposed the revocation of all members of the Audit Committee of the company. The Board states that the company's Audit Committee was appointed by the postponed AGM that took place on 27th January 2021 and its members have proven and sufficient knowledge, including knowledge in the company's field of operation, as well as the necessary skills to perform in their role as members of the Audit Committee. In addition, the Board comment that since its appointment, the Audit Committee has performed excellent in its role and consequently there is no reason for revocation. The shareholders which submitted the proposal did not provide any rationale or explanatory notes. Based on this opposition is recommended.

*Vote Cast: Oppose*



#### *4. Shareholder Resolution: Election of a new Audit Committee of the Company*

Greenhill Investments Limited, holding 36,314,000 common, registered shares proposed the election of a new Audit Committee. However, on the date of the convening of the Extraordinary General Meeting, the minority shareholder applicants who requested its convening by raising, among others, this agenda item, did not submit any comment or draft decision to the Company and its shareholders. The Board comment that, in the justification of the item by the requesting shareholders, in combination with the CVs of the proposed members of the Audit Committee, no sufficient knowledge of the proposed members in the fields, in which the Company operates, is proven, as the nature and the various activities of the ELLAKTOR Group on the one hand are characterized by complexity on the other hand are implemented by a number of subsidiaries both in Greece and abroad. In this regard, it is noted that, according to the above remarks of the Hellenic Capital Market Commission, by the election of the members of the Audit Committee it is required to formulate the rationale for the nomination of the proposed persons and to determine their suitability regarding the criteria of paragraph 1 of Article 44 of Law 4449 / 2017 and the laws and conditions mentioned there, as well as regarding any obstacles or incompatibilities, taking into account the applicable Corporate Governance Code and the Internal Regulations of the relevant company. Therefore, the proposal of the requesting shareholders is at least incomplete. Based on the absence of information opposition is recommended.

*Vote Cast: Oppose*

#### **VEOLIA ENVIRONNEMENT SA AGM - 22-04-2021**

##### *O.9. Approve Amendment of the Economic Performance Criterion Related to the Acquisition of Performance Shares Allocated to the Chairman and CEO under Plan 1*

It is proposed to reduce the weighting of Economic criteria in the allocation of performance shares under the long term incentive plan. Specifically, by 33.33% for the 2018 plan and by 16.66 for the 2019 and 2020 plans. The proposal is based on the impact of the Coronavirus Pandemic. Additionally, the number of rights vested in 2020 are to be reduce by 30% under the current. However, the conditions under which the performance units will be reallocated and the criteria that would account for the reduction of the economic measures are not clearly disclosed. On this basis, opposition is recommended.

*Vote Cast: Oppose*

Results: For: 61.7, Abstain: 1.5, Oppose/Withhold: 36.9,

##### *O.10. Approve Amendment of the Economic Performance Criterion Related to the Acquisition of Performance Shares Allocated to the Chairman and CEO under Plan No. 2*

It is proposed to reduce the weighting of Economic criteria in the allocation of performance shares under the long term incentive plan. Specifically, by 33.33% for the 2018 plan and by 16.66 for the 2019 and 2020 plans. The proposal is based on the impact of the Coronavirus Pandemic. Additionally, the number of rights vested in 2020 are to be reduce by 30% under the current. However, the conditions under which the performance units will be reallocated and the criteria that would account for the reduction of the economic measures are not clearly disclosed. On this basis, opposition is recommended.

*Vote Cast: Oppose*

Results: For: 89.1, Abstain: 0.0, Oppose/Withhold: 10.9,

##### *O.11. Approve Amendment of the Economic Performance Criterion Related to the Acquisition of Performance Shares Allocated to the Chairman and CEO under Plan No. 3*

It is proposed to reduce the weighting of Economic criteria in the allocation of performance shares under the long term incentive plan. Specifically, by 33.33% for the 2018 plan and by 16.66 for the 2019 and 2020 plans. The proposal is based on the impact of the Coronavirus Pandemic. Additionally, the number of rights vested in 2020 are to be reduce by 30% under the current. However, the conditions under which the performance units will be reallocated and the criteria that would account for the reduction of the economic measures are not clearly disclosed. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 89.1, Abstain: 0.0, Oppose/Withhold: 10.8,

*O.12. Approve Compensation of Antoine Frerot, Chairman and CEO*

It is proposed to approve the remuneration of the CEO and Chair. 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 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 difficult to reclaim any variable remuneration unfairly paid out. On these bases, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 60.7, Abstain: 0.3, Oppose/Withhold: 39.0,

*O.13. Approve Compensation of Corporate Officers*

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

Vote Cast: *Oppose*

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

*O.14. Approve Remuneration Policy of Chairman and CEO*

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

Vote Cast: *Oppose*

Results: For: 93.6, Abstain: 0.0, Oppose/Withhold: 6.4,

*O.15. Approve Remuneration Policy of Corporate Officers*

It is proposed to approve the remuneration policy of Corporate Officers. 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: 99.5, Abstain: 0.0, Oppose/Withhold: 0.5,

*O.16. Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

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: 94.5, Abstain: 2.9, Oppose/Withhold: 2.6,

*E.18. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 868 Million*

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

Vote Cast: *Oppose*

Results: For: 91.1, Abstain: 3.0, Oppose/Withhold: 5.9,

*E.19. Authorise the Board to Increase the Number of Shares Issued in case of Exceptional Demand*

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

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

Vote Cast: *Oppose*

Results: For: 84.8, Abstain: 3.4, Oppose/Withhold: 11.8,

*E.22. Authorize up to 0.5 Percent of Issued Capital for Use in Restricted Stock Plans*

The Board requests authority to approve an authority for the issue of shares by private placement. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

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

**COMPAGNIE PLASTIC OMNIUM SE AGM - 22-04-2021**

*O.5. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

*O.6. Elect Laurent Burelle - Chair (Non Executive)*

Non Executive Chair. Mr Laurent Burelle was previously the CEO of the company and is not considered independent. An oppose vote is recommended.

Vote Cast: *Oppose*

*O.8. Elect Éliane Lemarié - Non-Executive Director*

Non-Executive Director. Not considered to be independent as she is the representative of Burelle SA. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*O.9. Elect Anne-Marie Couderc - 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*

*O.11. Elect Bernd Gottschalk - 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*

*O.12. Elect Paul Henry Lemarié - 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*

*O.13. Elect Alexandre Mérieux - 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*

*O.17. Approve Remuneration Policy of the CEO*

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

*Vote Cast: Oppose*

*O.18. Approve Remuneration Policy of Vice-CEO*

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

*Vote Cast: Oppose*

*O.20. Approve Compensation of Corporate Officers*

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

*Vote Cast: Oppose*

*O.21. Approve Compensation of Laurent Burelle, Chairman of the Board*

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

*Vote Cast: Oppose*

*O.22. Approve Compensation of Laurent Favre, CEO*

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

*Vote Cast: Oppose*

*O.23. Approve Compensation of Félicie Burelle, Vice-CEO*

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

*Vote Cast: Oppose*

*E.26. Authorize Issuance of Equity or Equity-Linked Securities with Preemptive Rights up to Aggregate Nominal Amount of EUR 4 Million*

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

Vote Cast: *Oppose*

*E.27. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 4 Million*

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

Vote Cast: *Oppose*

*E.28. Approve Issuance of Equity or Equity-Linked Securities for Private Placements, up to Aggregate Nominal Amount of EUR 1.7 Million*

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

Vote Cast: *Oppose*

*E.29. Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Above Under Items 26-28*

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

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

Vote Cast: *Oppose*

*E.30. Authorize Capital Issuances for Use in Employee Stock Purchase Plans*

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

Vote Cast: *Oppose*

**TAYLOR WIMPEY PLC AGM - 22-04-2021**

*13. Appoint PricewaterhouseCoopers LLP as Auditors*

PwC proposed as new auditor in replacement of Deloitte. 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 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: 98.0, Abstain: 0.0, Oppose/Withhold: 2.0,*

#### *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: 93.9, Abstain: 0.0, Oppose/Withhold: 6.1,*

#### *18. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

*Results: For: 98.2, Abstain: 0.3, Oppose/Withhold: 1.4,*

#### *20. Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 250,000. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the aggregate total amount exceeds recommended limits. An abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 47.0, Abstain: 50.0, Oppose/Withhold: 3.0,*

## DOMINO'S PIZZA GROUP PLC AGM - 22-04-2021

### 1. *Receive the Annual Report*

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

Vote Cast: *Abstain*

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

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

PwC proposed. Non-audit fees represented 25.00% of audit fees during the year under review and 21.74% 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 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,

### 5. *Re-elect Matt Shattock - Chair (Non Executive)*

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

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. At this time, diversity on the board is below the above-mentioned level, nevertheless, the company has stated it as target by 33% until 2021, which is considered acceptable. Overall abstention is recommended.



Vote Cast: *Abstain*

Results: For: 91.7, Abstain: 0.1, Oppose/Withhold: 8.2,

#### 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: 99.1, Abstain: 0.0, Oppose/Withhold: 0.9,

#### 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: 99.4, Abstain: 0.1, Oppose/Withhold: 0.4,

### **TRELLEBORG AB AGM - 22-04-2021**

#### 10.A.1. *Elect Hans Björck*

Chair (Non Executive) and member of the Audit Committee. Not considered to be independent as he is connected to the major shareholder Dunker Funds and Foundations. Not considered independent owing to a tenure of over nine years. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*

#### 10.A.4. *Elect Johan Malmquist*

Non-Executive Director, member of the Nomination Committee. Gender balance on the Board is under 30%, which is considered as best practice in this market. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members, and members of the Nomination Committee, 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*

#### 10.A.7. *Elect Jan Ståhlberg*

Non-Executive Director and member of the Audit Committee. Not considered independent as the director is connected with a significant shareholder: Dunker Funds and Foundation. The Dunker interests mainly comprise two foundations, The Henry and Gerda Dunker Donation Fund No. 2 ("The Donation Fund") and The Henry and Gerda Dunker Foundation ("The Foundation"). There are concerns over the director's potential aggregate time commitments. It is considered that the

Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### 10.B. *Elect Hans Björck*

Chair (Non Executive) and member of the Audit Committee. Not considered to be independent as he is connected to the major shareholder Dunker Funds and Foundations. Not considered independent owing to a tenure of over nine years.. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### 11. *Approve the Remuneration Report*

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

### RELX PLC AGM - 22-04-2021

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

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

*Vote Cast: Abstain*

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

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

Disclosure is considered adequate. The measures for the annual bonus have not been disclosed which makes it difficult to assess how sufficiently challenging the targets are, and overpayment for subpar performance may occur. Otherwise, good disclosure.

**Balance:** The CEO's salary increase is in line with the rest of the company. The CEO's total reward is on average, in line with the change in TSR which is good. However, total variable remuneration for the CEO, exceeds the maximum of 200% in line with best practice guidelines. The ratio of CEO to average employee pay is higher than 20:1 which is considered unacceptable. Dividend accrual not separately categorised which is not acceptable.

*Vote Cast: Oppose*

Results: For: 90.9, Abstain: 1.7, Oppose/Withhold: 7.4,

#### *4. Reappoint Ernst & Young LLP as Auditors*

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 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,

#### *10. Elect Charlotte Hogg - 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: 99.2, Abstain: 0.6, Oppose/Withhold: 0.2,

#### *19. Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment*

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

Vote Cast: *Oppose*

Results: For: 97.9, Abstain: 0.4, Oppose/Withhold: 1.7,

#### *20. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

## GRUPO AEROPORTUARIO SURESTE AGM - 22-04-2021

### *2.B. 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*

### *3.B. 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*

### *3.C. Slate Election for Audit Committee*

The candidates to the committee include directors that are 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*

### *3.D. Slate election for Nomination and Compensation Committee*

The candidates to the committee include directors that are not considered to be independent. In terms of best practice, it is considered that the Nomination and Compensation Committee should only comprise independent members. An oppose vote is recommended.

*Vote Cast: Oppose*

## DIGNITY PLC EGM - 22-04-2021

### *1. Shareholder Resolution: Remove Clive Whiley as Director*

**Proponent's argument:** The Proponent, Pheonix Asset Management, holder of 29.9% of the company's share capital, stated the following in an open letter to Dignity Shareholders: "We have called this shareholders' meeting because we believe we can no longer trust Clive Whiley to be Executive Chairman of Dignity. Therefore, we don't think it is in the best interests of Dignity and its shareholders for him to be involved with the business. This is because, as part of our work assisting the Company this year, we uncovered what we believe are some very serious issues in the prepaid funeral plan business (referred to as "pre-need"). We gathered the relevant information and sent it to Clive ahead of the budgeting process and finalisation of the annual results. In our view, his subsequent actions in dealing with the matter, internally and externally, left us no choice but to seek his removal as a director. Conflict is not in our nature but doing nothing would have gone against our company principles and long held standards of integrity. We are bound by our confidentiality agreement with Dignity and so cannot share all of the details with you. However, we would encourage shareholders to speak with the board to understand this issue in detail. We have spent the past three years trying to assist Dignity in finding the right strategy to build shareholder value. As we increased our stake and got closer to the Company, it became apparent that the board was dysfunctional and so we

put forward a member of our team, James Wilson, to join the board to assist with the issues at hand. James' work on the strategy led to some successful trials but we believe that further progress was thwarted by internal vested interests. It seemed that there was resistance to change and that the vested interests favoured short term optics over long term shareholder value. In such a rapidly evolving funeral market, where the competition grows stronger with every day of Dignity's stasis, we concluded that wholesale change was needed in November 2020. After meeting with the NEDs and asking them to replace the executive management, including Clive, we compromised in order to avoid the distraction of a shareholder vote and left Clive in place on the basis that we could work together. We tried our very best to work with Clive in a collaborative and transparent way. Our approach was not reciprocated, and the pre-need issue was the final straw, so we asked the board to remove him."

**Company's response:** The company states that: "This is not the first time Phoenix has sought changes to the Board and/or threatened to requisition a meeting of Shareholders in order to get its way. In the Phoenix Statement, Phoenix claims that it is not seeking to control the Board and yet its behaviour and the actions of Gary Channon on its behalf over the last two years demonstrate quite the opposite. Gary Channon has continually threatened the Board with requisitions to remove and/or appoint directors whenever he has felt that the Board has been unwilling to accede to his wishes." The Company has also stated that "The evidence has led the Independent Directors to conclude that Phoenix, despite the statements to the contrary in the Phoenix Statement, is seeking to exert executive control over the Board (and therefore the Company) without paying a bid premium and has shown itself to be willing to act in a manner which does not respect the corporate governance requirements applicable to public companies." The Board has also responded to the shareholder's concerns stating: "Phoenix has questioned the commitment of Clive Whiley to his current role by pointing to the expiry of his fixed term appointment on 27 September 2021 and seeking to argue that as a result of this, he is driven by his own short term objectives rather than the longer term interest of Shareholders. The Independent Directors are satisfied that this is simply not the case and have the agreement in principle from Clive Whiley that he would be happy to extend his term until the job at hand is concluded to the satisfaction of the Board, should this not be achieved by the end of his current term." Each of the Independent Directors has reluctantly formed the view that, should the Resolutions be passed, they would have no option but to resign their positions, as they cannot see a way in which they could effectively fulfil their respective roles with Gary Channon appointed as a replacement for Clive Whiley.

**PIRC analysis:** It is considered that the proponent has not provided sufficient justification for the resolution. The director is an executive chair, which is not considered to be best practice, however there does not appear to be a commitment to remove this position from the Board. Additionally, while there are potential time commitment concerns regarding the director, according to the latest figures disclosed, the director has attended all available meetings. Owing to a lack of compelling argument, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 54.6, Abstain: 0.0, Oppose/Withhold: 45.4,

## *2. Shareholder Resolution: Elect Garry Channon as Executive Chair*

It is proposed to elect Garry Channon, Founder of Pheonix Asset Management, as Executive Chair of the Company. It is a generally accepted norm of good practice that the Chair of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Holding an executive position is incompatible with this. Additionally, Mr. Channon is the Chief Investment Officer of Phoenix Asset Management, which in turn controls 29.9% of the company's share capital. While the proponent states that after putting in place a new leadership team, than Mr. Channon would step back to a supporting role, it is still considered that this appointment would give outsized influence to one shareholder, and is not considered to be in the best interest of all shareholders. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 60.5, Abstain: 0.0, Oppose/Withhold: 39.5,

**CIA DE SANEAMENTO DO PARANA CLASS - 22-04-2021****5. *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*

**TELE2 AB AGM - 22-04-2021****12.c. *Re-elect Georgi Ganev - Non-Executive Director***

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

Vote Cast: *Oppose*

**12.f. *Re-elect Lars-Åke Norling - Non-Executive Director***

Non-Executive Director. Not considered independent as the director has a relationship with the Company. He served as an executive at Kinnevik, which holds a majority stake of the share capital. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

**14.b. *Appoint the Auditors***

Deloitte proposed. Non-audit fees represented 12.50% of audit fees during the year under review and 10.87% 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*

**15. *Approve the Remuneration Report***

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

Vote Cast: *Oppose*

#### *16.a. Approve New Long Term Incentive Plan*

It is proposed to approve a new long term incentive plan. The plan will consist of approximately 212 senior executives and other key employees within the Tele2 Group. The participants in LTI 2021 are required to hold Tele2 shares. These shares can either be shares already held or shares purchased on the market in connection with the notification to participate in LTI 2021. The personal investment will thereafter be matched by the company through free-of-charge granting of retention and performance right. 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*

#### *16.c. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

#### *16.d. Issuance of Shares for Existing Incentive Plan*

The Board requests authority to resolve that Class C shares, following reclassification into Class B shares, may be transferred to participants in LTI 2021, to participants in other outstanding equity-related incentive programmes in accordance with the approved terms, or sold on Nasdaq Stockholm. A maximum of 2,200,000 Class B shares may be transferred to participants in accordance with the terms of LTI 2021. These shares can either be Class B treasury shares held by the company or Class B shares held by the company after reclassification from Class C shares. 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*

#### *16.f. Approve Issue of Shares for Private Placement*

In case the majority requirement for item 16(d) above not be met, the Board proposes that the Annual General Meeting resolves that Tele2 can enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer Class B shares in Tele2 to the participants in LTI 2021. This authority has not been duly justified by the Company. Opposition is therefore recommended.

*Vote Cast: Oppose*

#### *17. 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. In the Event that the Investigation Clarifies that there is Need, Relevant Measures Shall be Taken to Ensure that the Requirements are Fulfilled*

Martin Green proposed that, in the event that the investigation clarifies that there is need, swift, relevant measures shall be taken to ensure that the requirements are fulfilled. It is considered that any decision regarding directors should be taken by shareholders at a meeting. Opposition is recommended.

Vote Cast: *Oppose*

*19.a. Give Full Compensation to Private Customers who have Lost their Pool of Phone Call*

Thomas Åhlin proposed to give the executive management full compensation to private customers who have lost their pool of phone calls, which shall be distributed in the form of services provided by Tele2, 100 % reduction on subscription prices or cash. The proposal is unclear in nature and scope. In lack of further disclosure, opposition is recommended.

Vote Cast: *Oppose*

## **CATCO REINSURANCE OPPORTUNITIES AGM - 22-04-2021**

*iii. Elect James Keyes - Chair (Non Executive)*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years. 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 recommended.

Vote Cast: *Oppose*

*Vi. Re-appoint KPMG Audit Limited as Auditors*

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

## **BB HEALTHCARE TRUST PLC AGM - 23-04-2021**

### *9. To re-appoint the Auditors: Ernst & Young LLP*

Ernst & Young LLP. No non-audit fees during the year under review and 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 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: 97.4, Abstain: 0.0, Oppose/Withhold: 2.6,*

### *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: 99.9, Abstain: 0.1, Oppose/Withhold: 0.0,*

### *1. Receive the Annual Report*

A dividend was put forward for shareholder's approval, which is welcomed.

The functions of the Investment Manager and Company Secretary are performed by two different companies, which is welcomed.

The company have disclosed a voting policy indicating how they vote on issues relating to investment and investee companies. In addition, it is also noted that the manager incorporates ESG issues in the analysis and decision-making process. However, the company does not provide further evidence that the manager is encouraged to engage with companies to promote better ESG management. On balance a vote in favour is therefore recommended.

Vote Cast: *Abstain*

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

## **CENCOSUD SA EGM - 23-04-2021**

### *A. Amend Articles Re: Compliance Committee*

It is proposed to amend the Company's by-laws to introduce a Compliance Committee to comply with new laws/regulations. 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*

### *B. 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*

### *C. Set Aggregate Nominal Amount of Share Repurchase Program*

It is proposed to authorise the Board to Set Aggregate Nominal Amount of Share Repurchase Program 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*

## **GALP ENERGIA SGPS SA AGM - 23-04-2021**

### *6. Discharge the Auditors*

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

Vote Cast: *Oppose*

### 7. *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*

### 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*

## ABBOTT LABORATORIES AGM - 23-04-2021

### 1.4. *Elect Robert B. Ford - Chief Executive*

Chief Executive. 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: 0.0, Oppose/Withhold: 1.5,

### 2. *Appoint Ernst & Young LLP as the Auditors*

EY proposed. Non-audit fees represented 24.69% of audit fees during the year under review and 30.57% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

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

### 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: ACB. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 91.9, Abstain: 0.5, Oppose/Withhold: 7.6,

## RENAULT SA AGM - 23-04-2021

### *O.6. Elect Yu Serizawa - Non-Executive Director*

Non-Executive Director. Not considered independent as she is a representative of Nissan, a significant shareholder of the Company without voting power. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 90.6, Abstain: 0.3, Oppose/Withhold: 9.1,

### *O.7. Elect Thomas Courbe - Non-Executive Director*

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

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.3, Oppose/Withhold: 2.0,

### *O.8. Elect Miriem Bensalah Chaqroun - 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*

Results: For: 67.2, Abstain: 0.1, Oppose/Withhold: 32.7,

### *O.9. Elect Marie-Annick Darmaillac - Non-Executive Director*

Non-Executive Director. Not considered to be independent as she was CSR Director at Vivendi until 2020. Most of her external positions were within the Bolloré Group. Renault and Bolloré formed a partnership in electric vehicles in 2014 and Thierry Bolloré is the Chief Executive. There is insufficient independent representation on the Board. 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 oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 90.8, Abstain: 0.3, Oppose/Withhold: 8.9,

### *O.13. Approve Compensation of Corporate Officers*

It is proposed to approve the annual report on remuneration of Executive Officers with an advisory vote. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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: 90.2, Abstain: 0.2, Oppose/Withhold: 9.6,

### *O.15. Approve Compensation of Luca de Meo, CEO*

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. Oppose vote is recommended.

Vote Cast: *Oppose*

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

#### *O.16. Approve Compensation of Clotilde Delbos, Interim-CEO*

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. Oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 89.9, Abstain: 0.2, Oppose/Withhold: 9.9,

#### *O.18. Approve Remuneration Policy of CEO*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. The Company has disclosed quantified targets for performance criteria for the entirety of its variable remuneration component. Nevertheless, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 88.7, Abstain: 0.3, Oppose/Withhold: 11.0,

#### *O.20. 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: 90.0, Abstain: 0.3, Oppose/Withhold: 9.6,

### **GRUMA SAB DE CV EGM - 23-04-2021**

#### *II. Amend Articles 11 (Repurchased Shares) and 37 (Attendance Right)*

The Board proposes to amend Articles related to xxx. 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*

## HMS NETWORKS AB AGM - 23-04-2021

### 10.1. *Re-Elect Charlotte Brogren as Director*

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

Vote Cast: *Oppose*

### 10.3. *Re-Elect Fredrik Hansson - 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*

### 10.4. *Re-Elect Anders Mörck - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is connected with a significant shareholder: the director is the CFO for Investment AB Latour. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 10.6. *Re-Elect Cecilia Wachtmeister - 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*

### 10.7. *Re-Elect Charlotte Brogren as Chair*

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*

### 11. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 5.39% of audit fees during the year under review and 28.89% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

### 12. *Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common

practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *14. Approve Share Saving Plan 2022-2025*

It is proposed to approve a stock option plan for employees and corporate officers. In order to participate in the program, the participant must, with own funds, make an investment of minimum 1% and maximum between 3% and 6% (depending on position) of his or her annual fixed gross salary in shares. Each Saving Share entitles the participant to receive free of charge a maximum of two (2) shares in the company, based on the achievement of certain performance conditions ("Performance Share"). The performance conditions are based on the development of earnings per share according to determined objectives by the Board of Directors during the financial years 2022-2025 (the "Measurement Period"). The performance condition that has to be achieved or exceeded relates to average annual growth of the company's earnings per share during the Measurement Period, whereby Performance Shares is received linearly between the interval 0-20% and an average annual growth during the Measurement Period of 20% corresponds to maximum allotment, i.e. two (2) Performance Shares.

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*

### **SENIOR PLC AGM - 23-04-2021**

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

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The change in the CEO's salary is in line with the rest of the Company, as the CEO's pay decrease by 2.3% while employee remuneration decrease by 2.1%. The CEO's salary is in the upper quartile of the Company's 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. Total variable pay for the year under review is acceptable at 52.6% of the CEO's salary. It is noted that no LTIP award was vested for the year under review. The ratio of CEO pay compared to average employee pay is not acceptable at 24:1, it is recommended that the ratio does not exceed 20:1.

Rating: AC

*Vote Cast: Abstain*

**Results: For: 70.2, Abstain: 5.4, Oppose/Withhold: 24.4,**

#### *3. Approve Remuneration Policy*

**Policy Rating: CDC** Changes proposed: i) Post-employment shareholding requirements: This new post-employment shareholding requirement will apply for a period of two years following cessation at the lower of (1) 80% of the in-employment shareholding guideline in place prior to cessation (currently 200% of salary) and (2) the actual shareholding held at the time of cessation. This requirement will only apply to any shares which vest from LTIP awards granted from 2021 onwards and any shares that vest from deferred bonus from the 2021 bonus scheme onwards, ii) Existing pension contributions will be aligned with that available to the majority of the UK workforce (currently 10% of salary) by the end of the new Remuneration Policy period on January 2024. New executive Directors will receive a pension contribution in line with that available to the majority of employees in the relevant jurisdiction, iii) Update the Policy to ensure that it reflects the Remuneration's Committee's ability

to exercise discretion and override the formulaic outcomes of the LTIP if required and, iv) extend clawback to apply also to cash bonuses, as is common practice elsewhere. We will also extend the "trigger events" such that clawback and malus can be applied (if required) in a wider variety of circumstances. These will now include situations where payments were made on the basis of erroneous or misleading data, where serious reputational damage to Senior has occurred and in the event of corporate failure.

For the Annual Bonus two third is paid in cash and one third is paid as a conditional award of deferred shares, which is not considered adequate. It is recommended that at least half of the annual bonus is deferred into shares. Malus and clawback provisions are in place. The performance period under the LTIP is not sufficiently long-term at three years, although the additional holding period of two years is welcomed. The three performance conditions used are financial based and operate independently. There should be at least one non-financial KPI, and for performance conditions to operate interdependently such that there is no payout if one of the minimum targets is not achieved. Total potential variable pay is excessive at 275% of salary (325% of salary in exceptional circumstances), it is recommended that total variable pay is limited to 200% of salary. A mitigation statement has been made. Contracts may be terminated without notice by the payment of a sum equal to the sum of salary due for the unexpired notice period. There was no enhanced provisions in relation to a change of control. There is a 12 month notice period for both the Company and the Executive Director. Upside discretion may be exercised by the committee as it may decide not to prorate LTIP awards based on time and performance. There is an exceptional limit under the LTIP for recruitment purposes which is inappropriate.

*Vote Cast: Oppose*

*Results: For: 69.2, Abstain: 6.7, Oppose/Withhold: 24.1,*

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

KPMG proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended.

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

#### *15. Authorise Share Repurchase*

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



Vote Cast: *Oppose*

Results: For: 99.4, Abstain: 0.2, Oppose/Withhold: 0.4,

## **AMPLIFON SPA AGM - 23-04-2021**

### *0.4.1. 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*

### *0.4.2. Approve the Remuneration Report*

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

### *0.5. 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. The Board would dispose of treasury shares to service share-based incentive plans, both current and future, for Directors and/or employees and/or collaborators of the Company. However, support cannot be given as in the past the the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. As no clear reason for the request for authorisation was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

## **GRUPO FINANCIERO BANORTE SA AGM - 23-04-2021**

### *VI. Elect Hector Federico Reyes Retana y Dahl as Chairman of Audit and Corporate Practices Committee*

Non-Executive Director, proposed as chair of the audit and corporate practice committees. 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*

### *VII. 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*

#### **GRUMA SAB DE CV AGM - 23-04-2021**

##### *I. Approve Financial Statements and Statutory Reports*

At this time, the financial statements have not been made available. Although not uncommon in this market, it is considered a serious reporting omission. Abstention is recommended.

*Vote Cast: Abstain*

##### *II. Approve Allocation of Income and Dividends*

It is proposed dividend of MXN 5.20 per share. Although the dividend appears to be covered by earnings or disposable reserves, the financial statements for the year under review have not been disclosed at this time, making an informed assessment impossible. Abstention is recommended.

*Vote Cast: Abstain*

##### *III. Set Maximum Amount of Share Repurchase Reserve and Present Report of Operations with Treasury 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*

#### **PARQUE ARAUCO SA AGM - 23-04-2021**

##### *9. 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*

## **SOCIEDAD QUIMICA Y MINERA DE CHILE - SQM AGM - 23-04-2021**

### *2. Appoint the Auditors*

PwC proposed. Non-audit fees represented 7.46% of audit fees during the year under review and 3.35% on a three-year aggregate basis. This level of non-audit fees does not raise 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*

### *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*

## **HIKMA PHARMACEUTICALS PLC AGM - 23-04-2021**

### *1. Receive the Annual Report*

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

*Vote Cast: Abstain*

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

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

PwC proposed. Non-audit fees represented 7.14% of audit fees during the year under review and 2.60% 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 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,

#### 6. *Re-elect Said Darwazah - 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: 96.2, Abstain: 1.0, Oppose/Withhold: 2.8,

#### 12. *Re-elect John Castellani - Non-Executive Director*

Independent non-executive director and Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.2, Abstain: 0.7, Oppose/Withhold: 1.1,

#### 15. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The highest paid director salary is not in line with the workforce, since the highest paid director's salary (HPD) increased by 3% and the average employee's salary has increased by 1.8%. The HPD's salary is in the upper quartile of PIRC's comparator group which raises concerns over potential excessive salary payments.

**Balance:**The balance of the HPD's realised pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period The total level of variable remuneration paid in the year under review is the equivalent of 198.8% of base salary and is considered not excessive. The CEO/average employee pay ratio is excessive at 79:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 89.8, Abstain: 0.7, Oppose/Withhold: 9.6,

#### 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: 97.9, Abstain: 0.0, Oppose/Withhold: 2.1,

#### *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: 99.1, Abstain: 0.0, Oppose/Withhold: 0.8,

### **CENCOSUD SA AGM - 23-04-2021**

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

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

Vote Cast: *Abstain*

#### *D. Approve Remuneration and Budget of Directors' Committee*

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

Vote Cast: *Abstain*

#### *E. Receive Report on Expenses of Directors and Directors' Committee*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. It is recommended not to support the proposal.

Vote Cast: *Abstain*

#### *F. Appoint the Auditors*

PwC proposed. An adequate break-down of the nature of non-audit fees is not provided, which makes the assessment of auditor's independence based on the non-audit fee impossible. The date of appointment of the auditor is not disclosed, meaning that there are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An oppose vote is recommended.

Vote Cast: *Oppose*

#### *G. Designation Of Risk Rating Agencies For The 2020 Fiscal Year*

The proposed risk assessment companies have not been disclosed at this time. Abstention recommended.

*Vote Cast: Abstain*

*H. Approve Report on Related Party Transactions*

The report on related party transactions was not made available in sufficient time prior to the meeting.

*Vote Cast: Oppose*

*I. Receive Report on Oppositions Recorded on Minutes of Board Meetings*

The required information has not been disclosed at this time, which is considered a frustration of shareholders accountability.

*Vote Cast: Abstain*

*J. Designate Newspaper to Publish Announcements*

The Company has not given a specific proposal and this prevents shareholders to give an adequate assessment. Although this is normally not a controversial item, abstention is recommended.

*Vote Cast: Abstain*

*K. 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*

**IOCHPE-MAXION SA AGM - 23-04-2021**

*3. 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*

*4. 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?*

Proposal to elect 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*

*5. 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*

*6.1. Percentage of Votes to Be Assigned - Elect Dan Ioschpe as Director and Salomao Ioschpe as Alternate*

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*

*6.2. Percentage of Votes to Be Assigned - Elect Gustavo Berg Ioschpe as Director and Debora Berg Ioschpe as Alternate*

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*

*6.3. Percentage of Votes to Be Assigned - Elect Iboty Brochmann Ioschpe as Director and Claudia Ioschpe as Alternate*

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*

*6.4. Percentage of Votes to Be Assigned - Elect Mauro Litwin Iochpe as Director and Leandro Kolodny as Alternate*

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*

*6.5. Percentage of Votes to Be Assigned - Elect Israel Vainboim as Independent Director and Mauro Knijnik as Alternate*

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*

*6.6. Percentage of Votes to Be Assigned - Elect Nildemar Secches as Independent Director and Ronald John Aldworth as Alternate*

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*

*6.7. Percentage of Votes to Be Assigned - Elect Sergio Luiz Silva Schwartz as Independent 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*

*6.8. Percentage of Votes to Be Assigned - Elect Alexandre Goncalves Silva as Independent Director*

This candidate is considered to be independent. However, due to concerns over potential aggregate time commitments and failure to demonstrate full attendance at board and committee meetings, abstention is recommended.

*Vote Cast: Abstain*

*6.9. Percentage of Votes to Be Assigned - Elect Henrique Bredda as Independent 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*

*8. 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 17.2 million. Variable remuneration for executives would correspond to up to 257% 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*

**AUTOGRILL SPA AGM - 23-04-2021**

*0.3.2. Appoint Chairman of Internal Statutory Auditors*

Shareholder Proposals Submitted by Schematrentaquattro S.p.A.. The major shareholder propose that the Chair of the Board of Statutory Auditors be the first of the candidates from the majority list. In terms of best practice, it is considered best practice that the Board of Statutory Auditors be chaired by the first of the candidates from the minority list. On this basis, opposition is recommended.

*Vote Cast: Oppose*

*0.5.1. 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*



### 0.5.2. *Approve Second Section of the Remuneration Report*

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

### 0.6. *Performance Share Units Plan*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

*Vote Cast: Oppose*

## **JPMORGAN US SMALLER CO IT PLC AGM - 26-04-2021**

### 1. *Receive the Annual Report*

There was no dividend or dividend policy put to vote although the company paid interim dividends during the year, which is considered inappropriate. It is considered that shareholder approval of the dividend, or dividend policy, is a necessary safeguard of shareholders rights and should be sought accordingly.

The functions of Investment Manager and Company Secretary are performed by the same company, which is not considered best practice.

The company have disclosed a voting policy indicating how they vote on issues relating to investment and investee companies. In addition, it is noted ESG matters are taken into account in investment decisions which is welcomed.

Nevertheless, based on concerns regarding dividends, opposition is recommended.

*Vote Cast: Oppose*

**Results: For: 85.8, Abstain: 0.9, Oppose/Withhold: 13.3,**

### 15. *Authorise the Board to Waive Pre-emptive Rights on Additional Shares*

It is proposed to exclude pre-emption rights on shares issued under the previous resolution at this meeting. The cumulative authority for issuing shares without pre-emptive rights, requested in a previous proposal, would exceed guidelines (10%). Opposition is thus recommended.

*Vote Cast: Oppose*

**Results: For: 81.0, Abstain: 1.0, Oppose/Withhold: 18.1,**

### 16. *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: 99.0, Abstain: 1.0, Oppose/Withhold: 0.0,

## **HYPERA SA AGM - 26-04-2021**

### *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*

### *5. 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*

### *6. 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*

### *7. In Case Cumulative Voting Is Adopted, Do You Wish to Equally Distribute Your Votes Amongst the Nominees of the Proposed Slate?*

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*

#### *8.1. Re-elect Alvaro Stainfeld Link - Chair (Non Executive)*

Non-Executive Chair. Not considered to be independent as Mr. Álvaro Stainfeld renders services of consulting and financial management of part of the assets of the Company's indirect controller, Mr. João Alves de Queiroz Filho. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *8.2. Re-elect Bernardo Malpica Hernández - Non-Executive Director*

Non-Executive Director. Not considered to be independent owing a tenure of over nine years. In addition, he is Partner of Praemia together with Esteban Malpica Fomperosa, who is a family member. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *8.4. Re-elect David Coury Neto - 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*

#### *8.5. Re-elect Esteban Malpica Fomperosa - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. He has family ties on the Board, with Bernardo Malpica Hernández. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *8.7. Re-elect Hugo Barreto Sodre Leal - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has close family ties with the Company. Mr. Hugo Barreto Sodré Leal is the son-in-law of Mr. João Alves de Queiroz Filho, member of the Company's Controlling block. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *8.8. Re-elect Luciana Cavalheiro Fleischner - Non-Executive Director*

Non-Executive Director. Not considered to be independent as she is an executive of Monte Cristalina, the Company's former controlling shareholder. She began her career in 1996 at Arisco, which was founded by Mr. João Alves de Queiroz Filho and his father. Has been on the board for more than nine years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *9. 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*

*10.1. Percentage of Votes to Be Assigned - Re-elect Alvaro Stainfeld Link 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*

*10.2. Percentage of Votes to Be Assigned - Re-elect Bernardo Malpica Hernandez 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*

*10.3. Percentage of Votes to Be Assigned - Re-elect Breno Toledo Pires de Oliveira 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*

*10.4. Percentage of Votes to Be Assigned - Re-elect David Coury Neto as Independent 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*

*10.5. Percentage of Votes to Be Assigned - Re-elect Esteban Malpica Fomperosa 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*

*10.7. Percentage of Votes to Be Assigned - Re-elect Hugo Barreto Sodre Leal 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*

*10.8. Percentage of Votes to Be Assigned - Re-elect Luciana Cavalleiro Fleischner Alves de Queiroz 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*

*12. 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 BRL 33.4 million. Variable remuneration for executives would correspond to up to 447% 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*

### **RAYTHEON TECHNOLOGIES CORP AGM - 26-04-2021**

#### *1.c. Elect Thomas A. Kennedy - 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. Since the Chair of the Sustainability Committee is not up for election, the Executive Chair is considered accountable for the Company's Sustainability programme and the programme is not considered adequate to minimise the material risks linked to sustainability. Therefore, opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 95.5, Abstain: 0.2, Oppose/Withhold: 4.2,*

#### *1g.. Elect Margaret L. OSullivan - 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: 96.8, Abstain: 0.3, Oppose/Withhold: 2.8,*

#### *1n.. Elect Robert O. Work - 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: 73.7, Abstain: 0.4, Oppose/Withhold: 25.9,*

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

*Vote Cast: Oppose*

*Results: For: 91.4, Abstain: 0.4, Oppose/Withhold: 8.2,*

#### *3.. Ratify PricewaterhouseCoopers LLP to Serve as Independent Auditor for 2021*

PwC proposed. Non-audit fees represented 74.60% of audit fees during the year under review and 67.51% 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: 95.5, Abstain: 0.2, Oppose/Withhold: 4.3,*

#### *4.. Approve Executive Incentive Bonus Plan*

It is proposed to approve the Executive Incentive Bonus Plan. The Plan shall be administered by the Compensation Committee, who shall have the authority in its sole and absolute discretion, to determine who should be granted Awards and the amount of the Awards; to determine the time or times at which Awards shall be granted; to determine the terms, conditions, restrictions and performance criteria, including performance goals, relating to any Award; to determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, or surrendered; to increase or decrease the value of an Award to differentiate the performance of individual Eligible Employees and/or business or functional units of the Company. Only Eligible Employees may be granted Awards under the Plan. Unless otherwise determined by the Committee or its delegate, an Eligible Employee, who commences employment with the Company or an Affiliated Entity following the start of a Performance Period, may be eligible for a pro-rata Award for the period of time employed during such Performance Period. Unless otherwise required by local regulation or legislation. Performance goals shall be set prior to, or reasonably promptly following, the start of the Performance Period. The annual target incentive amount shall be expressed as a percentage of the Eligible Employee's annual salary in effect on December 1st of the Performance Period (or, for purposes of Section 9, the first day of the month immediately preceding the month in which a Change-in-Control occurs), unless otherwise specified in the Award. Payments, if any, due in respect of Awards shall be paid in a lump sum in cash. Cash payments made in respect of Awards will be paid as soon as administratively practicable following the end of the applicable Performance Period and the Committee's determination of the achievement of the underlying performance goals, and, for Eligible Employees on a United States-based payroll or otherwise subject to taxation in the United States, no later than the 15th day of the third month following the end of the Performance Period. In order to be eligible to receive an Award, an Eligible Employee must be employed on the last day of the Performance Period, subject to Section 9 hereof and any rules established under the Plan from time to time. The Committee may, in its sole discretion, permit Eligible Employees to defer the payment of Awards in accordance with and subject to the terms of one or more deferred compensation plans sponsored by the Company or an Affiliated Entity. Eligible Employees shall be subject to any clawback, recoupment or other similar policy required by law or regulations or adopted by the Compensation Committee of the Board of Directors as in effect from time to time, and Awards paid to an Eligible Employee shall be subject to the terms of such policy, as in effect from time to time. Notwithstanding anything to the contrary in the Plan, upon a Change-in-Control this Plan shall terminate and each Eligible Employee shall be entitled to a lump sum cash payment for the Stub Period. The payment calculated prior to any proration to account for the Stub Period shall be the Eligible Employee's target incentive amount for the Performance Period. The proration will be determined by dividing the number of days completed in the Stub Period immediately prior to the date of the Change-in-Control by the total number of days in the Performance Period. Payments due as a result of the termination of the Plan upon a Change-in-Control shall be made within 30 days following the date of the Change-in-Control and shall be made to all Eligible Employees who were employed by the Company or an Affiliated Entity immediately prior to the date of the Change-in-Control, regardless of whether they are still employed on the payment date. The Board or the Committee shall have the right at any time to amend, suspend, discontinue or terminate the Plan, in whole or in part; provided, however, (i) that no such amendment of the Plan shall operate to annul or diminish, without the consent of the Eligible Employee, an Award already made hereunder, except in the case of a recoupment of awards under the Plan in connection with the Company's Clawback Policy; and (ii) no amendment adopted in connection with or in anticipation of a Change-in-Control shall adversely affect an Eligible Employee's entitlement to an Award for the Stub Period following a Change-in-Control. Replacement Plan.

The proposed plan raised concerns since it did not disclose specific performance measures and it is paid in cash without any deferral period. Opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 95.6, Abstain: 0.4, Oppose/Withhold: 4.0,*

#### *5.. Amend Existing Executive Share Option Scheme/Plan*

The purpose of this Plan is to enable the Corporation to implement a compensation program that correlates compensation opportunities with shareowner value, focuses Management on long-term, sustainable performance, and provides the Corporation with a competitive advantage in attracting, retaining and motivating officers, employees and directors. This Plan shall be administered by the Board directly, or if the Board elects, by the Compensation Committee or such other committee of the Board as the Board may from time to time designate, which committee shall be composed of not less than two directors, and shall be appointed by and serve at the pleasure of the Board. All references in this Plan to the "Committee" refer to the Board as a whole, unless a separate committee has been designated or authorized consistent with the foregoing. Subject to the terms and conditions of this Plan, the Committee shall have absolute authority: To select the Eligible Individuals to whom Awards may from time to time be granted; To determine whether and to what extent Stock Appreciation Rights, Incentive Stock Options, Nonqualified Stock Options, Restricted Stock Units, Restricted Stock, Other Stock-Based Awards and Cash Awards or any combination thereof are to be granted hereunder; To determine the number of Shares to be covered by each Award granted hereunder; To decide all other matters that must be determined in connection with an Award; and To otherwise administer this Plan. The maximum number of Shares that may be issued pursuant to Awards granted under this Plan shall be the sum of (i) 75 million, (ii) the total number of Shares remaining available for new awards under the Plan as of immediately prior to the Effective Date, and (iii) the total number of Shares subject to outstanding Awards under the Plan as of immediately prior to the Effective Date. Shares issued under this Plan may be authorized and unissued Shares, treasury Shares, or Shares purchased in the open market or otherwise, at the sole discretion of the Committee. Each Share issued pursuant to a Full-Value Award will result in a reduction of the number of Shares available for issuance under this Plan by 4.03 Shares. Each Share issued pursuant to a Stock Option or Stock Appreciation Right will result in a reduction of the number of Shares available for issuance under this Plan by one Share. Awards outstanding under the Prior Plan as of the April 30, 2018 shall remain in full force and effect under the Prior Plan according to their respective terms, and to the extent that any such award is forfeited, terminates, expires or lapses without being exercised (to the extent applicable), or is settled for cash, the Shares subject to such award not delivered as a result thereof shall again be available for Awards under this Plan on the same share counting basis as provided under paragraph (a) under this Section 3 (i.e., each Share subject to a Prior Plan full-value award will be added back as 4.03 Shares and each share subject to a Prior Plan stock option or stock appreciation right will be added back as one share); provided, however, that dividend equivalents may continue to be issued under the Corporation's Prior Plan in respect of awards granted under the Prior Plan which are outstanding as of the April 30, 2018. A Participant who is not a non-employee director may not be granted: (i) Stock Appreciation Rights and Stock Options in excess of 1 million Shares during any calendar year, (ii) Full-Value Awards in excess of 500,000 Shares during any calendar year, or (iii) Cash Awards in excess of \$10 million. Compensation payable by the Corporation to any non-employee director of the Corporation, including Awards granted under this Plan (with Awards valued based on the fair value on the Grant Date for accounting purposes) and cash fees paid or credited, in respect of such non-employee director's service as a member of the Board during the calendar year, may not exceed \$1.5 million during any single calendar year. Awards may be granted under this Plan to Eligible Individuals; provided, however, that Incentive Stock Options may be granted only to employees of the Corporation and its subsidiaries or Parent Corporation (within the meaning of Section 424(f) of the Code). This Plan was originally approved by the Board on February 5, 2018, subject to and contingent upon approval by the Corporation's shareowners. This amended and restated Plan will be effective April 26, 2021, (the "Effective Date"); provided that the Corporation's shareowners approve this Plan on such date. This Plan will terminate on the tenth anniversary of the Effective Date. Awards outstanding as of such date shall not be affected or impaired by the termination of this Plan.

There are concerns with the Plan as it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, maximum award limits are excessive. As a result, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.2, Abstain: 0.4, Oppose/Withhold: 4.4,

**BRAVIDA HOLDING AGM - 26-04-2021****12.b. *Elect Cecilia Daun Wennborg***

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.c. *Elect Jan Johansson***

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.e. *Elect Staffan Pahlsson***

Non-Executive Director. Not considered independent as the director was previously employed by the Company as CEO. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. However, opposition is recommended for his lack of independence.

*Vote Cast: Oppose*

**15. *Approve the Remuneration Report***

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

*Vote Cast: Oppose*

**17. *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*

**19.a. *Approve Performance Share Matching Plan LTIP 2021 for Key Employees***

It is proposed a new incentive plan. Under the plan, the CEO and other executives will be awarded rights to receive shares in exchange for part of the reinvestment of their salary. The shares resulting from reinvestment will be matched by free shares awarded by the Company. While re-investment of the bonus in shares, or payment



of part or all of the bonus in shares, are considered positive practice, share matching plans are viewed as a de facto discount for executives to buy company shares. They can eventually result in excessive payments versus performance. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *19.b. Issuance of Shares for Existing Incentive Plan*

It is proposed to increase the share capital by issuing new shares to the service of the incentive plan proposed at this meeting: thus, opposition is recommended based on the concerns identified on the proposed incentive plan.

*Vote Cast: Oppose*

#### *19.c. Approve Alternative Equity Plan Financing*

It is proposed to authorise the board to transfer company's own shares, on one or several occasions prior to the next Annual General Meeting. The shares may only be transferred in conjunction with the financing of company acquisitions and other types of strategic investments and acquisitions, and the transfers may not exceed the maximum number of treasury shares held by the company at any given time. Transfer of own shares can also be made in another manner in conjunction with the acquisition of companies or operations, where transfer of own shares may be made with deviation from the shareholders' preferential rights. Payment for shares transferred in this manner may be made in cash or through a non-cash issue or offsetting of claims against the company, or on other specific terms. 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*

### **BR PROPERTIES SA AGM - 26-04-2021**

#### *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 Felipe Francisco Romano - Non-Executive Director*

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

*Vote Cast: Oppose*

### 6. *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 13.9 million. Variable remuneration for executives would correspond to up to 408% 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*

## ING GROEP NV AGM - 26-04-2021

### 9.B. *Grant Board Authority to Issue Shares Up To 10 Percent of Issued Capital and Restricting/Excluding Preemptive Rights*

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

Vote Cast: *Oppose*

Results: For: 95.0, Abstain: 0.1, Oppose/Withhold: 4.9,

### 10. *Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

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: 98.0, Abstain: 0.2, Oppose/Withhold: 1.8,

## ASSICURAZIONI GENERALI SPA AGM - 26-04-2021

### 3a. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 0.2, Oppose/Withhold: 4.5,

### 3b. *Approve Second Section of the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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: 92.3, Abstain: 0.2, Oppose/Withhold: 7.5,*

#### *4a. Approve Group Long Term Incentive Plan*

The Board proposes the approval of a new equity-based incentive plan. Under the plan, participants will be allotted shares that will vest over a three-year period. Performance targets have been quantified at this time, which is above market practice. However, the potential total reward raises excessiveness concerns (together with other incentives) and the vesting period of three years is considered to be short term.

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

*Vote Cast: Oppose*

*Results: For: 98.3, Abstain: 0.4, Oppose/Withhold: 1.3,*

#### *4b. Authorize Share Repurchase Program and Reissuance of Repurchased Shares to Service Group Long Term Incentive Plan*

The Board requests authority to repurchase and re-issue the shares to participants in the long term incentive plan proposed at the present meeting. Although companies have a legal duty to fund approved plans, this resolution is considered to be a proposal enabling the LTIP proposed. Based on the concerns on the resolution for the approval of the LTIP, opposition is recommended also on this resolution.

*Vote Cast: Oppose*

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

#### *4c. Authorize Board to Increase Capital to Service Group Long Term Incentive Plan*

As a consequence of the Long Term Incentive Plan proposed on this agenda, it is proposed to increase the share capital. Given that opposition was recommended on the corresponding resolution, opposition is maintained on this item as well.

*Vote Cast: Oppose*

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

### **EASTERN WATER RESOURCES DEV & MGMT AGM - 26-04-2021**

#### *7.2. Elect Pichet Tanaset*

Non-Executive Director. Not considered independent the director is considered to be connected with a significant shareholder: the Thai Government. There is insufficient independence on the board. Opposition vote recommended.

*Vote Cast: Oppose*

#### *7.3. Elect Chatchai Uthaipan*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: the Thai Government. There is insufficient independence on the board. Opposition is recommended.

Vote Cast: *Oppose*

#### 9. *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*

### POLYMETAL INTERNATIONAL PLC AGM - 26-04-2021

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

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

**Balance:** The balance of CEO realized pay with financial performance is not considered acceptable as the change in CEO total pay over the last five years is not aligned to the change in TSR over the same period. Total variable pay for the year under review is considered excessive at 349% of the salary (Annual Bonus: 113% & LTIP: 236%). The ratio of CEO pay compared to average employee pay is not acceptable at 33:1. PIRC consider a ratio of 20:1 as acceptable.

Rating: AD

Vote Cast: *Oppose*

Results: For: 97.9, Abstain: 0.0, Oppose/Withhold: 2.1,

#### 8. *Re-elect Giacomo Baizini - 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: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

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

Deloitte proposed. Non-audit fees represented 2.33% of audit fees during the year under review and 3.92% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.0, Oppose/Withhold: 1.6,

#### 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: 98.9, Abstain: 1.1, Oppose/Withhold: 0.0,

#### *18. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### **FIBRA PROLOGIS PROPERTY MEXICO AGM - 26-04-2021**

#### *V. Approve Increase Maximum Issuance Amount under Program of Recurring Issuer*

Authority is sought to increase the authorised share capital of the Company up to MXN 61,700 million in order to reach MXN 100,000 million. 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*

#### *VI. Authorize Use of CBFIs Approved by Holders Meeting on Feb. 20, 2020 for Program to Carry out Additional CBFIs Issues via Public or Private Offerings*

The Board requests authority to approve an authority for the issue of shares by private placement. 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*

### **AMERICA MOVIL SAB DE CV AGM - 26-04-2021**

#### *II. Elect Board: Slate Election*

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*

#### *IV. Elect members and remuneration of Audit Committee*

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*

*V. 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*

**CITIGROUP INC. AGM - 27-04-2021**

*1d. Elect John C. Dugan - 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, particularly with regard to the ongoing lawsuit regarding contamination with hazardous waste, an abstain vote is recommended.

*Vote Cast: Abstain*

Results: For: 97.6, Abstain: 0.2, Oppose/Withhold: 2.1,

*1j. Elect Renée James - 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: 98.4, Abstain: 0.2, Oppose/Withhold: 1.4,

*1i. Elect Diana L. Taylor - 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, it is noted that the director is a member of the remuneration committee which should comprise wholly of independent directors. There are also concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

Results: For: 97.2, Abstain: 0.1, Oppose/Withhold: 2.6,

*1m. Elect James S. Turley - 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: 95.7, Abstain: 0.3, Oppose/Withhold: 4.0,

*2. Ratify KPMG LLP as Auditors*

KPMG proposed. Non-audit fees represented 7.08% of audit fees during the year under review and 12.12% 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: 88.0, Abstain: 0.2, Oppose/Withhold: 11.8,

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

Vote Cast: *Oppose*

Results: For: 86.6, Abstain: 0.3, Oppose/Withhold: 13.1,

### *4. Amend Omnibus Stock Plan*

It is proposed to amend the Citigroup 2019 Stock Incentive Plan. The board have proposed the following key changes: (1) Removal of the 'evergreen' feature, (2) Adding a minimum one-year vesting requirement, (3) Adding a limit on total annual compensation for directors of \$1 million except where the board of directors approves a higher limit and (4) Adding a 'double-trigger' change of control provision. Further information on the Citigroup 2019 Stock Incentive Plan can be found on page 113 of the 2021 Proxy.

There are concerns with the Plan as the it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, maximum award limits are excessive. As a result, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.0, Abstain: 0.2, Oppose/Withhold: 3.8,

## **BRF - BRASIL FOODS SA EGM - 27-04-2021**

### *5. Amend Restricted Stock Plan (change items 1.1, 5.3, 5.3.1 and 7.1, and the exclude items 5.3.2 and 7.2)*

The board seek to approve amendments to the Restricted Stock Plan to exclude the concepts of "Parity Shares", "Total Shareholder Return - TSR" and "Authorized Funds", with consequent amendment in items 1.1, 5.3, 5.3.1 and 7.1 and the exclusion of the current items 5.3.2 and 7.2 of the Stock Awards Plan Grant Plan. No significant concerns have been identified. However, under the plan no individual award caps nor performance criteria employed have been disclosed. In addition, there are lack of disclosure of specific targets, the insufficient vesting period. On this basis, an oppose vote is recommend.

Vote Cast: *Oppose*

### *6. Amend Restricted Stock Plan (add new item 6.2)*

The board seek to approve amendments to the Restricted Stock Plan to insert the possibility for the Company, at its sole discretion and subject to any restrictions and procedures provided for in applicable laws and regulations, to grant restricted shares in the form of American Depositary Receipts - ADRs, with the consequent inclusion of a new item 6.2. No significant concerns have been identified. However, under the plan no individual award caps nor performance criteria employed have been disclosed. In addition, there are lack of disclosure of specific targets, the insufficient vesting period. On this basis, an oppose vote is recommend.

*Vote Cast: Oppose*

#### *4. Amendments Restricted Stock Plan*

The board seek to approve amendments to the Restricted Stock Plan. Under the plan no individual award caps nor performance criteria employed have been disclosed. In addition, there are lack of disclosure of specific targets, the insufficient vesting period. On this basis, an oppose vote is recommend.

*Vote Cast: Oppose*

#### *7. Amend Restricted Stock Plan (amend item 8.1, exclude 8.2 and 8.3)*

The board seek to approve amendments to the Restricted Stock Plan to consolidate the power of the Board of Directors to define the effects of the withdrawal of the Beneficiary in relation to the Restricted Shares Not Fully Acquired, with the consequent amendment of item 8.1, and the exclusion of the current items 8.2 and 8.3. No significant concerns have been identified. However, under the plan no individual award caps nor performance criteria employed have been disclosed. In addition, there are lack of disclosure of specific targets, the insufficient vesting period. On this basis, an oppose vote is recommend.

*Vote Cast: Oppose*

#### *8. Amend Restricted Stock Plan (adjustments and wording)*

The board seek to approve amendments to the Restricted Stock Plan to implement wording adjustments, without material changes in content, with the consequent amendment of items 1.1 (concepts of "Restricted Shares Not Fully Acquired" and "Committee"), 2.1, 3.1, 3.2, 4.1, 4.2 (d), 4.3, 6.1, 7.3, 7.4, 10.2 and 10.3 and the deletion of the current item 6.2. No significant concerns have been identified. However, under the plan no individual award caps nor performance criteria employed have been disclosed. In addition, there are lack of disclosure of specific targets, the insufficient vesting period. On this basis, an oppose vote is recommend.

*Vote Cast: Oppose*

### **RUMO SA AGM - 27-04-2021**

#### *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. Approve Classification of Abel Gregorei Halpern, Marcos Sawaya Jank, and Janet Drysdale as Independent Directors*

The board seek to approve classification of directors as independent. Marcos Sawaya Jank and Janet Drysdale, can be considered as Independent Directors. However,



Abel Gregorei Halpern is not considered independent as the director is considered to be connected with a significant shareholder: Cosan. Additionally, he has been involved with Rumo for more than a decade, following the initial formation of the company and before the incorporation of ALL - América Latina Logística. An oppose vote is recommended.

*Vote Cast: Oppose*

*7.1. Re-elect Rubens Ometto Silveira Mello - Chair (Non Executive)*

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

*Vote Cast: Oppose*

*7.2. Re-elect Luis Henrique Cals De Beauclair Guimarães - Vice Chair (Non Executive)*

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

*Vote Cast: Oppose*

*7.3. Re-elect Maria Rita de Carvalho Drummond - Non-Executive Director*

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

*Vote Cast: Oppose*

*7.4. Re-elect Abel Gregorei Halpern - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: elected by the controlling shareholder. Additionally, he has been involved with Rumo for more than a decade, following the initial formation of the company and before the incorporation of ALL - América Latina Logística. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*7.5. Re-elect Marcelo Eduardo Martins - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Cosan. Additionally, he has been on the board for over nine years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*7.7. Re-elect Burkhard Otto Cordes - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Cosan. Mr. Cordes is Mr. Mello's son-in-law. Additionally he has been on the board more than nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

*7.9. Re-elect Riccardo Arduini - 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*

*8. 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*

*9.1. Percentage of Votes to Be Assigned - Elect Rubens Ometto Silveira Mello 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*

*9.2. Percentage of Votes to Be Assigned - Elect Luis Henrique Cals De Beauclair Guimaraes 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*

*9.3. Percentage of Votes to Be Assigned - Elect Maria Rita de Carvalho Drummond 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*

*9.4. Percentage of Votes to Be Assigned - Elect Abel Gregorei Halpern as Independent 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*

*9.5. Percentage of Votes to Be Assigned - Elect Marcelo Eduardo Martins 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*

#### *9.7. Percentage of Votes to Be Assigned - Elect Burkhard Otto Cordes 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*

#### *9.9. Percentage of Votes to Be Assigned - Elect Riccardo Arduini as Director and Giancarlo Arduini as Alternate*

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*

#### *10. Elect Rubens Ometto Silveira Mello as Board Chair and Luis Henrique Cals De Beauclair Guimaraes as Vice Chair*

The board seek to Elect Rubens Ometto Silveira Mello as Board Chair and Luis Henrique Cals De Beauclair Guimaraes as Vice Chair. Both directors are not considered to be independent as the directors are considered to be connected with a significant shareholder: Cosan. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *12.2. Elect Marcelo Curti as Fiscal Council Member and Nadir Dancini Barsanulfo as Alternate*

It is proposed to appoint members of the Fiscal Council in a bundled election: Marcelo Curti as standing member, Nadir Dancini Barsanulfo 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. Marcelo Curti is not considered independent, owing to a tenure on the Fiscal Council of more than nine years. Also, Nadir Dancini Barsanulfo provides tax consulting services to Grupo Cosan companies. 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*

#### *15. 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 25.9 million. Variable remuneration for executives would correspond to up to 380% 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*

#### *16. Approve Remuneration of Board of Statutory Auditors*

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*

### **TRAVIS PERKINS PLC EGM - 27-04-2021**

#### *3. Approve Deferred Annual Bonus Plan, Long Term Incentive Plan, Share Incentive Plan and Savings Related Share Option Scheme*

It is proposed to approve the Wickes Deferred Annual Bonus Plan, the Wickes Long Term Incentive Plan, the Wickes Share Incentive Plan and the Wickes Savings Related Share Option Scheme. Under the proposed plans, employees of the company including 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 for the LTIP 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.

It would be preferable the company to proposed the approval of these awards separately and not in one resolution. 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 LTIP scheme is not considered an effective means of incentivizing performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure. On balance, opposition is recommended.

*Vote Cast: Oppose*

### **LOCALIZA RENT A CAR SA EGM - 27-04-2021**

#### *1. 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*

### **ALFA LAVAL AB AGM - 27-04-2021**

#### *8. Approve the Remuneration Report*

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

*Vote Cast: Oppose*

*11.2. Elect Dennis Jonsson - Chair*

Non-Executive Chair. Not considered independent as the director is considered to be connected with a significant shareholder: Tetra Laval International SA as he was formerly President and CEO of Tetra Park. It is considered that the Chair of the Board should be independent, opposition is therefore recommended.

*Vote Cast: Oppose*

*11.5. Elect Heléne Mellquist - 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*

*11.10. Reelect Dennis Jonsson as Board Chairman*

Non-Executive Chair. Not considered independent as the director is considered to be connected with a significant shareholder: Tetra Laval International SA as he was formerly President and CEO of Tetra Park. It is considered that the Chair of the Board should be independent, opposition is therefore recommended.

*Vote Cast: Oppose*

*12. 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*

*13. 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*

**JYSKE BANK EGM - 27-04-2021**

*1. Approve Creation of DKK 70 Million Pool of Capital without Preemptive Rights*

The authority set out in Art. 4(2) of the Articles of Association (share issue without a pre-emption right) to expire on 1 March 2026 instead of 1 March 2022. In addition,

the authorisation of the General Meeting to the Supervisory Board to issue new shares without a pre-emption right will be reduced from DKK 100 m to DKK 70 m. As we consider that shareholders should have the right to vote on these issues annually, opposition is recommended.

*Vote Cast: Oppose*

#### *5. 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*

### **SANDVIK AB AGM - 27-04-2021**

#### *7. Accept Financial Statements and Statutory Reports*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the Annual Report.

*Vote Cast: Abstain*

#### *8.1. Approve Discharge of Board Chairman Johan Molin*

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*

#### *8.2. Approve Discharge of Board Member Jennifer Allerton*

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*

#### *8.3. Approve Discharge of Board Member Claes Boustedt*

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*

*8.4. Approve Discharge of Board Member Marika Fredriksson*

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*

*8.5. Approve Discharge of Board Member Johan Karlstrom*

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*

*8.6. Approve Discharge of Board Member Helena Stjernholm*

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*

*8.7. Approve Discharge of Board Member Lars Westerberg*

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*

*8.8. Approve Discharge of Board Member and CEO Stefan Widing*

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*

*8.9. Approve Discharge of Board Member Kai Warn*

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*

#### *8.10. Approve Discharge of Employee Representative Tomas Karnstrom*

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*

#### *8.11. Approve Discharge of Employee Representative Thomas Lilja*

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*

#### *8.12. Approve Discharge of Deputy Employee Representative Thomas Andersson*

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*

#### *8.13. Approve Discharge of Deputy Employee Representative Mats Lundberg*

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*

#### *8.14. Approve Discharge of Former Board Member and CEO Bjorn Rosengren*

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*



### 12.3. *Elect Claes Boustedt - Non-Executive Director*

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

*Vote Cast: Oppose*

### 12.4. *Elect Marika Fredriksson - Non-Executive Director*

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

*Vote Cast: Oppose*

### 12.5. *Elect Johan Molin - 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*

### 12.6. *Elect Helena Stjernholm - Non-Executive Director*

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

*Vote Cast: Oppose*

### 12.8. *Elect Kai Wörn - 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*

### 13. *Reelect Johan Molin as Chairman of the Board*

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*

### 14. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 121.51% of audit fees during the year under review and 58.01% on a three-year aggregate basis. This level of non-audit

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

*Vote Cast: Oppose*

#### *15. Approve the Remuneration Report*

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

#### *16. Approve Performance Share Matching Plan (LTI 2021)*

The Board proposes the approval of a new incentive plan. Under the plan, the CEO and other executives will be allotted shares or rights to shares, which will start vesting after three years from the date of award. Performance targets have not been quantified at this time. which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure, 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. On these grounds, opposition is recommended.

*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*

### **INTERNATIONAL BUSINESS MACHINES CORPORATION AGM - 27-04-2021**

#### *1b. Elect Michael L. Eskew - Lead Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is 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: 87.0, Abstain: 0.9, Oppose/Withhold: 12.1,

### 1c. *Elect David N. Farr - 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, it is noted that the director is a member 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: 97.0, Abstain: 0.9, Oppose/Withhold: 2.1,

### 1f. *Elect Arvind Krishna - 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: 90.7, Abstain: 1.2, Oppose/Withhold: 8.1,

### 1g. *Elect Andrew N. Liveris - 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, it is noted that the director is a member of the Executive Compensation and Management Resources Committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 94.7, Abstain: 0.9, Oppose/Withhold: 4.3,

### 1h. *Elect Frederick William McNabb, III - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: The director was CEO of The Vanguard Group until 2017 and chairman till 2018, a significant shareholder in the company. There is sufficient independent representation on the Board. However, it is noted that the director is a member 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: 95.9, Abstain: 2.1, Oppose/Withhold: 1.9,

### 2. *Ratify PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 5.89% of audit fees during the year under review and 4.47% 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 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: 95.1, Abstain: 0.6, Oppose/Withhold: 4.2,

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

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. It is also noted that this proposal registered a significant proportion of oppose vote of 13.57% at the 2020 AGM. 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: ADE. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 47.9, Abstain: 1.5, Oppose/Withhold: 50.6,

## **BAYER AG AGM - 27-04-2021**

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

Standard resolution. At the company, there is no external whistle-blowing hotline. This suggests that such concerns raised by a whistle-blower are dealt with internally, which may increase the risk of such issues not being followed up or an increased likelihood the issue be concealed. There are additional concerns with regards to the significant financial and reputational damages suffered as result of the company's 2018 acquisition of Monsanto and the subsequent glyphosate-related settlements recorded during 2020 which exceed USD10 billion. On this basis, and on the potential unforeseeable consequences for the company, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.6, Abstain: 3.9, Oppose/Withhold: 9.5,

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

Standard resolution. At the company, there is no external whistle-blowing hotline. This suggests that such concerns raised by a whistle-blower are dealt with internally, which may increase the risk of such issues not being followed up or an increased likelihood the issue be concealed. There are additional concerns with regards to the significant financial and reputational damages suffered as result of the company's 2018 acquisition of Monsanto and the subsequent glyphosate-related settlements recorded during 2020 which exceed USD10 billion. On this basis, and on the potential unforeseeable consequences for the company, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 88.8, Abstain: 4.0, Oppose/Withhold: 7.1,

### *6. Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 23.08% of audit fees during the year under review and 40.48% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor.

Vote Cast: *Abstain*

Results: For: 98.5, Abstain: 0.5, Oppose/Withhold: 1.0,

## **ATLAS COPCO AB AGM - 27-04-2021**

### *9.a.1. Elect Staffan Bohman - 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: 84.5, Abstain: 1.1, Oppose/Withhold: 14.3,

### *9.a.3. Elect Johan Forssell - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he was a member of the management group of Investor AB, which holds a significant percentage of the Company's voting rights and issued share capital. Furthermore the director is not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 79.9, Abstain: 0.9, Oppose/Withhold: 19.1,

*9.a.7. Elect Hans Stråberg - Chair (Non Executive)*

Non-Executive Chair. he Director is also not considered independent as the director is considered to be connected with a significant shareholder: Investor AB where he sits on the Board of Directors.

Vote Cast: *Oppose*

Results: For: 80.7, Abstain: 1.3, Oppose/Withhold: 18.0,

*9.a.8. Elect Peter Wallenberg Jr - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Investor AB where he served on the board of directors. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 81.2, Abstain: 1.4, Oppose/Withhold: 17.4,

*9.b. Elect Hans Stråberg - Chair (Non Executive)*

Non-Executive Director. The Director is also not considered independent as the director is considered to be connected with a significant shareholder: Investor AB where he sits on the Board of Directors.

Vote Cast: *Oppose*

Results: For: 84.1, Abstain: 1.4, Oppose/Withhold: 14.5,

*11.a. Approve the Remuneration Report*

It is proposed to approve the remuneration report. Variable remuneration is 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 long term 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: 79.6, Abstain: 1.5, Oppose/Withhold: 18.9,

*11.b. Approve Stock Option Plan 2021 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. The Board asks for the right to decide on the issuing of performance stock options that can give a maximum of 335 key personnel in the Group the possibility to acquire series A 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: 95.5, Abstain: 0.9, Oppose/Withhold: 3.7,

#### *12.a. Acquire Class A Shares Related to Personnel Option Plan for 2021*

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: 96.1, Abstain: 0.9, Oppose/Withhold: 3.1,

#### *12.b. Acquire Class A Shares Related to Remuneration of Directors in the Form of Synthetic Shares*

It is proposed to authorise the Board to purchase Company's Class A shares in the form of synthetic 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: 97.3, Abstain: 0.3, Oppose/Withhold: 2.5,

#### *12.c. Transfer Class A Shares Related to Personnel Option Plan for 2021*

The Board further proposes that the Meeting decides to transfer shares in the Company in relation to the Company's personnel option plan 2021, including the matching option part, according to the following: 1) A maximum of 2,000,000 series A shares may be transferred. Right to acquire shares is to be granted the persons participating in the Company's proposed performance stock option plan 2021, with a right for each participant to acquire the maximum number of shares stipulated in the terms and conditions of this plan. The participant's right to acquire shares is conditional upon all terms and conditions of the Company's performance stock option plan 2021 being fulfilled. Owing to concerns over the 2021 Option Plan, Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 96.1, Abstain: 0.9, Oppose/Withhold: 3.1,

#### *12.d. Sell Class A Shares to Cover Costs Related to Synthetic Shares to the Board*

It is proposed to authorise the Board to purchase Company's Class A shares in the form of synthetic 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: 97.3, Abstain: 0.3, Oppose/Withhold: 2.5,

### **LOCALIZA RENT A CAR SA AGM - 27-04-2021**

#### *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*

#### *7.2. Percentage of Votes to Be Assigned - Elect Oscar de Paula Bernardes Neto as Independent 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*

#### *7.4. Percentage of Votes to Be Assigned - Elect Maria Leticia de Freitas Costas as Independent 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*

#### *9. 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 61.4 million. Variable remuneration for executives would correspond to up to 275% 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*

### **SUZANO SA AGM - 27-04-2021**

#### *2. 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. 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 127.8 million. Variable remuneration for executives would correspond to up to 525% 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*

## TRAVIS PERKINS PLC AGM - 27-04-2021

### 1. *Receive the Annual Report*

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

Vote Cast: *Abstain*

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

### 3. *Approve Remuneration Policy*

**Policy Rating: CDC** Changes proposed: i) Introduction of a Restricted Share Plan replacing the former Performance Share Plan and Co-investment plan, ii) The pension allowance for the CFO was reduced from 25% to 20% of salary from 1 January 2020 and frozen as a monetary amount of GBP 105,530 from that date. The pension allowance will be further reduced to the wider workforce rate of 10% of salary with effect from 1 January 2023 and iii) Executive Directors who step down from the Board following the adoption of this policy will be expected to maintain a minimum shareholding of two x base salary (or actual shareholding if lower) for a period of two years following stepping down from the Board.

Total potential variable pay could reach 305% of the salary, which exceed the limit of 200% of the salary and is deemed excessive. Annual Bonus performance measures are: adjusted operating profit (50%), Free Cash Flow (20%) and performance against a strategic tracker (30%). Half the bonus is deferred to shares for a three-year period. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. The new Restricted Share Plan will replace the previous LTIP awards. Under the new plan awards will be subject to performance underpins measured over the vesting periods. For Executive Directors awards will normally vest 75% on the third anniversary of the award and 25% on the fifth anniversary. The first tranche will be subject to a two year holding period so that the total time horizon is five years for the entire awards. Executive Directors' contracts do not have a fixed expiry date but can be terminated by serving notice. Contractual notice periods for Directors are normally set at six months' notice from the Director and 12 months' notice from the Company and the Company would normally honour contractual commitments in the event of the termination of a Director.

Vote Cast: *Oppose*

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

### 9. *Re-elect Nick Roberts - Chief Executive*

Chief Executive. As the company do not have a Sustainability Committee and the Board Chair appointed on 31 March 2021. The Chief Executive is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

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

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

Non-audit fees represent approximately 28.6% of audit fees during the year under review and approximately 30.30% of audit fees over a three-year aggregate basis.



This raises concerns over 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 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: 97.8, Abstain: 0.1, Oppose/Withhold: 2.1,*

### *13. Authorize the Audit Committee to Fix Remuneration of Auditors*

Standard proposal.

*Vote Cast: Oppose*

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

### *15. 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*

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

### *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: 86.8, Abstain: 0.1, Oppose/Withhold: 13.0,*

### *17. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 99.3, Abstain: 0.1, Oppose/Withhold: 0.7,

#### 21. *Approve Restricted Share Plan*

It is proposed to approve the Restricted Share Plan (RPS) of the company which shall replace the LTIP awards for the Executive Directors. The RSP will be administered by the Board of Directors of the Company or by any duly authorized committee. Awards may be granted by the Board as conditional awards of, or nil-cost options over, ordinary shares in the Company ("Shares") or cash-based awards relating to a number of "notional" Shares. Awards will usually be subject to consideration by the Board of performance underpins over the vesting period, which will not be less than three years. It is currently intended that 75% of the award will have a three-year vesting period, whilst the remaining 25% of the award will vest after five years. The 75% of an award with a three-year vesting period will also be subject to a two-year holding period. Executive Directors will be subject to performance underpins based on two key areas: i) return on invested capital and ii) satisfactory governance performance (including no ESG issues resulting in material reputational damage to the Company). Maximum opportunity for the award is 125% of the salary.

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: 88.0, Abstain: 0.0, Oppose/Withhold: 12.0,

### **WELLS FARGO & COMPANY AGM - 27-04-2021**

#### 1c. *Elect Celeste A. Clark - Non-Executive Director*

Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

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

#### 1k. *Elect Charles W. Scharf - Chief Executive*

Chief Executive. Multiple instances of systemic malpractice have been reported at the company during the year under review, resulting in multi-million dollar settlements. These apparent failures in corporate culture are considered to be harmful to shareholders of the company, both financially and reputationally. As the Chief Executive Officer is considered to be responsible for matters of corporate culture, and has operational oversight of the company, it is considered that they can be considered accountable for these apparent failings. For this reason, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 0.5, Oppose/Withhold: 1.9,

#### 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: ACC. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 57.3, Abstain: 0.9, Oppose/Withhold: 41.9,

### 3. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 22.40% of audit fees during the year under review and 18.43% 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: 94.1, Abstain: 0.4, Oppose/Withhold: 5.5,

## THE PNC FINANCIAL SERVICES GROUP INC. AGM - 27-04-2021

### 1c. *Elect Debra A. Cafaro - 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: 98.5, Abstain: 0.6, Oppose/Withhold: 0.9,

### 1d. *Elect Marjorie Rodgers Cheshire - 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: 98.7, Abstain: 0.6, Oppose/Withhold: 0.7,

### 1e. *Elect David L. Cohen - 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: 98.7, Abstain: 0.7, Oppose/Withhold: 0.6,

### 1f. *Elect William S. Demchak - 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. 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 the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 95.8, Abstain: 0.7, Oppose/Withhold: 3.4,

### 11. *Elect Toni Townes-Whitley - 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: 98.5, Abstain: 0.6, Oppose/Withhold: 0.9,

### 2. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 0.51% of audit fees during the year under review and 1.47% 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 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: 0.5, Oppose/Withhold: 0.9,

### 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: DDB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.4, Abstain: 0.9, Oppose/Withhold: 4.7,

## **BRF - BRASIL FOODS SA AGM - 27-04-2021**

### 1. *Approve Financial Statements*

Disclosure is acceptable and the report was made available sufficiently before the meeting. However, the following serious corporate governance concerns have been identified, such as: accusation of passive corruption, money laundering and fraudulent management (in course since 2011, Lava Jato Operation), sanitary and tax evasion issues (2020). An abstain vote is recommended.

Vote Cast: *Abstain*

### 2. *Approve Maximum Remuneration*

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 81.9 million. Variable remuneration for executives would correspond to up to 289% 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*

### *3.1. Elect Attilio 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: Attilio 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. Attilio 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*

### *3.3. Elect Andre Vicentini as Fiscal Council Member and Valdecyr Maciel Gomes as Alternate*

It is proposed to appoint members of the Fiscal Council in a bundled election: Andre Vicentini 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 Andre Vicentini is not considered to be independent, as acted as financial manager in Perdigão SA, a subsidiary of the Company. On this basis, opposition is recommended.

*Vote Cast: Oppose*

### *4. 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*

## **ZIGNAGO VETRO AGM - 27-04-2021**

### *O.2.1. 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. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

### *O.2.2. Approve the Remuneration Report*

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

Vote Cast: *Oppose*

### O.3. *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*

### E.1. *To Empower the Board of Directors to Increase Share Capital by Issuing Shares*

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*

## FMC CORPORATION AGM - 27-04-2021

### 1a. *Elect Pierre R. Brondeau - 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: 93.2, Abstain: 0.1, Oppose/Withhold: 6.7,

### 1b. *Elect Eduardo E. Cordeiro - 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. In addition, it is noted that the director is 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: 97.4, Abstain: 0.1, Oppose/Withhold: 2.5,

### 1e. *Elect C. Scott Greer - 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. In addition, it is noted that the director is the Chair of the Compensation and Organization Committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 91.8, Abstain: 0.1, Oppose/Withhold: 8.1,

### 1g. *Elect Dirk A. Kempthorne - 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. In addition, it is noted that the director is a member of the Compensation and Organization Committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.5, Abstain: 0.1, Oppose/Withhold: 3.4,

### 1h. *Elect Paul J. Norris - 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. In addition, it is noted that the director is a member of the Compensation and Organization Committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 86.0, Abstain: 3.1, Oppose/Withhold: 10.9,

### 1j. *Elect Robert C. Pallash - 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. In addition, it is noted that the director is a member 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: 95.0, Abstain: 0.1, Oppose/Withhold: 4.9,

### 1k. *Elect Vincent R. Volpe, Jr. - Independent Lead Director*

Independent Lead Director. Not considered independent owing to a tenure of over nine years. It is considered that a Independent Lead Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is a member 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: 95.0, Abstain: 0.1, Oppose/Withhold: 4.9,

### 2. *Ratify KPMG LLP as Auditors*

KPMG proposed. Non-audit fees represented 8.70% of audit fees during the year under review and 10.03% 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*

Results: For: 94.3, Abstain: 0.2, Oppose/Withhold: 5.5,

### 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: 93.3, Abstain: 0.3, Oppose/Withhold: 6.4,

## **CANADIAN NATIONAL RAILWAY COMPANY AGM - 27-04-2021**

### *2. Ratify KPMG LLP as Auditors*

KPMG proposed. Non-audit fees represented 44.89% of audit fees during the year under review and 50.30% 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*

### *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: ACA. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

## **CAPITALAND LTD AGM - 27-04-2021**

### *4.c. Elect Stephen Lee Ching Yen*

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

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*

### *9. Approve Stephen Lee Ching Yen to Continue Office as an Independent Director Pursuant to Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST*

According to rule 210(5)(d)(iii) of the listing manual in Singapore, independence of directors with tenure of more than nine years and who are seeking re-election as independent directors must be reconfirmed on two separate votes: one for all shareholder (A) and one for all shareholders except CEO, Directors among other ones (B). This resolution refers to rule 210(5)(d)(iii)(A).

It is welcomed that shareholders are given the possibility to confirm independence of directors. However, this item aims to confirm the independence of this director,



who is not considered to be independent due to a tenure of more than nine years. As such, and regardless of the overall independent representation on the board, opposition is recommended.

*Vote Cast: Oppose*

*10. Approve Stephen Lee Ching Yen to Continue Office as an Independent Director Pursuant to Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST*

According to rule 210(5)(d)(iii) of the listing manual in Singapore, independence of directors with tenure of more than nine years and who are seeking re-election as independent directors must be reconfirmed on two separate votes: one for all shareholder (A) and one for all shareholders except CEO, Directors among other ones (B). This resolution refers to rule 210(5)(d)(iii)(B).

It is welcomed that shareholders are given the possibility to confirm independence of directors. However, this item aims to confirm the independence of this director, who is not considered to be independent due to a tenure of more than nine years. As such, and regardless of the overall independent representation on the board, opposition is recommended.

*Vote Cast: Oppose*

**SACI FALABELLA AGM - 27-04-2021**

*8. Approve Fees Payable to the Board of Directors*

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*

*11. Receive Report Regarding Related-Party Transactions*

The report on related party transactions was not made available in sufficient time prior to the meeting.

*Vote Cast: Oppose*

*13. Approve Remuneration of Directors' Committee*

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*

*14. Approve Budget of Directors' Committee*

The required information has not been disclosed at this time, which is considered a frustration of shareholders accountability.

*Vote Cast: Abstain*

### *9. 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*

## **JARDINE CYCLE & CARRIAGE LTD AGM - 27-04-2021**

### *4a. Elect Lim Hwee Hua - 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*

### *4b. Elect Benjamin Keswick - Chair (Non Executive)*

Non-Executive Chair. Not considered to be independent as he was the Group Managing Director from April 2007 to March 2012 and is former executive of Jardine Matheson Group, the Company's ultimate holding company. We note that along with six other Board Members he is a director of MCL Land from which the Jardine Group divested in January 2006. 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. In addition, it is noted that the director is a member of the Remuneration committee which should comprise wholly of independent directors. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. However, on balance, an oppose vote is recommended.

*Vote Cast: Oppose*

### *5. Elect Tan Yen Yen - 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. As abstention is not a valid voting option at this meeting, opposition is recommended.

*Vote Cast: Oppose*

### *6. Approve PricewaterhouseCoopers LLP as Auditors and Authorize Board to Fix Their Remuneration*

PwC proposed. Non-audit fees represented 12.15% of audit fees during the year under review and 10.04% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The date of appointment of the current audit firm is undisclosed, meaning the length of tenure is not known. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is recommended.

*Vote Cast: Oppose*

### *7a. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended. The

authority is limited to 50% of the share capital on a pro-rata basis and no more than 20% can be issued without pre-emptive rights. The mandate expires at the next Annual General Meeting. However, a limit exceeding 10% of shares issued without pre-emptive rights is deemed unacceptable. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *7b. 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*

#### *7c. Approve Renewal of Mandate for Transactions with Related Parties*

Approval is sought for the Interested Person Transaction (IPT Mandate) to facilitate transactions in the normal course of business among the Company, its subsidiaries or affiliate companies, directors, chief executive officer(s), controlling shareholders of the Company and their respective associates and relatives. Whilst it is stated that procedures are in place to ensure the transactions are conducted at arm's length basis, such general authorities are not supported, as they do not allow thorough assessment of proposals from shareholders. Specific details relating to specific transactions should be provided to shareholders for thorough assessment.

*Vote Cast: Oppose*

#### *8a. Approve Lim Hwee Hua to Continue Office as Independent Director for Purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of SGX ST (Tier 1)*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. It is noted that she was previously Managing Director of Jardine Fleming (1992-2000). There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *8b. Approve Lim Hwee Hua to Continue Office as Independent Director for Purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of SGX ST (Tier 2)*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. It is noted that she was previously Managing Director of Jardine Fleming (1992-2000). There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### **GRUPO AEROPORTUARIO DEL PACIFICO AGM - 27-04-2021**

#### *V. Authorise Share Repurchase*

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*

#### *VI. Information on Election or Ratification of Four Directors and Their Alternates of Series BB Shareholders*

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 (companies are not required to disclose the candidates for election to the board of directors or the committees prior to the meeting) 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. Ratification and/or designation of the person(s) that will serve as member(s) of the Company's board of directors, as designated by any holder or group of holders of Series B shares that owns, individually or collectively, 10% or more of the Company's capital stock.*

At this time, candidates not have been disclosed. Although it is common practice in this market (companies are not required to disclose the candidates for election to the board of directors or the committees prior to the meeting) 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*

#### *VIII. Elect or Ratify Directors of Series B Shareholders*

It is proposed to elect: Carlos Cárdenas Guzmán, Joaquín Vargas Guajardo, Álvaro Fernández Garza, Juan Diez Canedo Ruiz, Ángel Losada Moreno, Luis Téllez Kuenzler and Alfredo de Jesús Casar Pérez. 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*

#### *IX. Elect or Ratify Board Chair*

Non-Executive Chair. Not considered to be independent as she represents shareholders of the series BB. Additionally she is the chair of the nomination and remuneration committees. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *XI. Elect or Ratify Director of Series B Shareholders and Member of Nominations and Compensation Committee*

It is proposed to re-elect Alvaro Fernandez Garza for Nomination and Remuneration Committee. Candidate is independent with time commitments. Abstention is recommended.

*Vote Cast: Abstain*

## *XII. Elect or Ratify Chair of Audit and Corporate Practices Committee: Carlos Cárdenas Guzmán*

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*

## **DNB BANK ASA AGM - 27-04-2021**

### *6. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### *7.A. Approve the Remuneration Report (Consultative Vote)*

It is proposed to approve the remuneration policy with an advisory vote. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to over payment against under performance. On these bases, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 97.8, Abstain: 0.1, Oppose/Withhold: 2.1,

### *7.B. 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: 98.2, Abstain: 0.1, Oppose/Withhold: 1.7,

## **OTIS WORLDWIDE CORPORATION AGM - 27-04-2021**

### *1.d. Elect Christopher J. Kearney - 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: 99.1, Abstain: 0.1, Oppose/Withhold: 0.8,

#### *1.e. Elect Judith F. Marks - Chief Executive*

Chief Executive. As there is no Sustainability Committee up for election, the Chief Executive of the Company 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: 99.5, Abstain: 0.1, Oppose/Withhold: 0.4,

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

Vote Cast: *Oppose*

Results: For: 87.7, Abstain: 0.3, Oppose/Withhold: 12.0,

### **HEXAGON PURUS AS AGM - 27-04-2021**

#### *9. Instructions for the Nomination Committee*

The Board of Directors seeks authority to approve the guidelines for the Nomination Committee. The guidelines include the standard set of tasks and rules of procedure for the Nomination Committee. Members should be independent from the management. Although in line with the recommendation of the Corporate Governance Code, in terms of best practice it is considered that the majority of the members of the Committee should be independent also from major shareholders. On this basis, opposition is recommended.

Vote Cast: *Oppose*

#### *10. The Board's Guidelines on Determination of Salary and Other Remuneration Of Executive Management*

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*

#### *11. Election of Knut Flakk*

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.

Vote Cast: *Oppose*

### 12.1. *Board Proxy to Acquire 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*

### 12.3. *Authorise Share Repurchase Program for the Purpose of Subsequent Deletion of Shares by Reduction of Share Capital with General Meeting's Resolution*

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*

## DUPONT DE NEMOURS INC AGM - 28-04-2021

### 1.b. *Elect Edward D. Breen - 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: 93.1, Abstain: 0.8, Oppose/Withhold: 6.1,

### 1.c. *Elect Ruby R. Chandy - Non-Executive Director*

Independent Non-Executive Director. Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

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

### 1.f. *Elect Alexander M. Cutler - Senior Independent Director*

Senior Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the Board.

Vote Cast: *Oppose*

Results: For: 96.9, Abstain: 0.2, Oppose/Withhold: 2.9,

### 1.g. *Elect Eleuthere I. Du Pont - Non-Executive Director*

Non-Executive Director and member of the Audit Committee. Not considered to be independent as the director has close family ties with the Company. Additionally, the director has an aggregate tenure of over nine years when considering their tenure from the previous Du Pont Company. It is considered that the Audit Committee

should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless of the independent representation on the Board as a whole, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.2, Oppose/Withhold: 2.0,

## *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: ACC. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 92.8, Abstain: 0.5, Oppose/Withhold: 6.7,

## **ATLANTIA SPA AGM - 28-04-2021**

### *O.1a. Accept Financial Statements and Statutory Reports*

The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given there 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*

### *O.4. Approve Stock Grant Plan 2021-2023*

The Board proposes the approval of a new equity-based incentive plan. Under the plan, participants will be allotted shares that will vest over a three-year period. Performance targets have been quantified at this time, which is above market practice. However, the potential total reward raises excessiveness concerns (together with other incentives) and the vesting period of three years is considered to be short term.

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

Vote Cast: *Oppose*

### *O.5a. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. The company says that full disclosure on process, reasoning and outcomes of such assessment will be provided in next year report on remuneration paid. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*



## ANHEUSER-BUSCH INBEV SA AGM - 28-04-2021

### A.1. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares up to 20%. 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: 91.6, Abstain: 0.4, Oppose/Withhold: 8.0,

### B.7. *Approve Discharge of Auditors*

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

Vote Cast: *Oppose*

Results: For: 99.3, Abstain: 0.3, Oppose/Withhold: 0.4,

### B.8.a. *Re-elect Martin J. Barrington - Chair (Non Executive)*

Non-Executive Director. Not considered independent as he is a representative of Altria, a significant shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 82.9, Abstain: 0.5, Oppose/Withhold: 16.6,

### B.8.b. *Re-Elect William F. Gifford - Non-Executive Director*

Non-Executive Director. Not considered independent as he is a representative of Altria, a significant shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 85.8, Abstain: 0.4, Oppose/Withhold: 13.8,

### B.8.c. *Re-Elect Alejandro Santo Domingo - Non-Executive Director*

Non-Executive Director. Not considered independent as he is a representative of Bevco, a significant shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 84.8, Abstain: 0.4, Oppose/Withhold: 14.8,

### B.9. *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. In addition, there are Malus clauses in place over the entirety of the variable remuneration, which is welcomed but not clawbacks. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 82.2, Abstain: 0.8, Oppose/Withhold: 17.0,

#### B.10. *Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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 Malus clauses in place over the entirety of the variable remuneration, which is welcomed but not clawbacks. Opposition is recommended based on excessive remuneration.

Vote Cast: *Oppose*

Results: For: 83.6, Abstain: 0.4, Oppose/Withhold: 16.0,

#### B.11. *Approve Change-of-Control Clause Re: Revolving Credit and Swingline Facilities Agreement*

The Company seeks approval for a business contract, which will contain a change of control clause whereby the amount, together with accrued interest and all other amounts accrued and outstanding thereunder, could become immediately due and payable following a change of control of the Company. This is an anti-takeover measure which can be used to entrench under performing management. On this basis, opposition is recommended.

Vote Cast: *Oppose*

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

### **ECORODOVIAS INFRAESTRUTURA E LOGISTICA AGM - 28-04-2021**

#### *4. 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 10 million. Variable remuneration for executives would correspond to up to 121% 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*

### **CIGNA CORPORATION AGM - 28-04-2021**

#### *1a. Elect David M. Cordani - Chief Executive*

Chief Executive. 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: 99.3, Abstain: 0.1, Oppose/Withhold: 0.6,*

#### *1d. Elect Elder Granger - 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: 98.9, Abstain: 0.1, Oppose/Withhold: 0.9,*

#### *1e. Elect Isaiah Harris Jr. - Chair (Non 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. He has also been on the board for over nine years.

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 the concerns over the Company's sustainability policies and practice in addition to concerns regarding his role as executive chair, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 97.3, Abstain: 0.1, Oppose/Withhold: 2.5,*

#### *1i. Elect John M. Partridge - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted the director is a member of the Audit Committee which should comprise wholly of independent directors. An oppose vote is therefore recommended.

*Vote Cast: Oppose*

*Results: For: 97.8, Abstain: 0.1, Oppose/Withhold: 2.1,*

#### *1k. Elect Eric C. Wiseman - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted the director chairs the People Resource Committee which should comprise wholly of independent directors. It is also worth noting that the remuneration report generated a rating of "EEC" which raises concerns over the viability of the remuneration arrangements at the company. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 96.5, Abstain: 0.1, Oppose/Withhold: 3.4,*

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

Vote Cast: *Oppose*

Results: For: 92.2, Abstain: 0.2, Oppose/Withhold: 7.6,

### 3. Amend Existing Cigna Long-Term Incentive Plan

The board is seeking shareholder approval of the existing Cigna long-term incentive plan. It is noted the proposal is to authorise an additional 1,475,000 shares of Cigna common stock for issuance under the plan. The amendment will also be a reduction on the number of remaining authorised shares on a two for one basis, revise the 2018 definition of the term "change of control" in addition to other amendments. There are concerns with the Plan as the it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, maximum award limits are excessive. As a result, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.9, Abstain: 0.2, Oppose/Withhold: 4.9,

### 4. Appoint the Auditors

PwC proposed. Non-audit fees represented 7.75% of audit fees during the year under review and 13.86% 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: 95.0, Abstain: 0.1, Oppose/Withhold: 4.9,

### 7. Shareholder Resolution: Disclose Board Matrix Including Ideological Perspectives

**Proponent's argument:** The shareholders of the Cigna Corporation (the "Company") request the Board adopt a policy to disclose to shareholders the following: 1.A description of the specific minimum qualifications that the Board's nominating committee believes must be met by a nominee to be on the board of directors; and 2.Each nominee's skills, ideological perspectives, and experience presented in a chart or matrix form. The disclosure shall be presented to the shareholders through the annual proxy statement and the Company's website within six (6) months of the date of the annual meeting and updated on an annual basis. "We believe that boards that incorporate diverse perspectives can think more critically and oversee corporate managers more effectively. By providing a meaningful disclosure about potential Board members, shareholders will be better able to judge how well-suited individual board nominees are for the Company and whether their listed skills, experience and attributes are appropriate in light of the Company's overall business strategy. The Company's compliance with Item 407(c)(2)(v) of SEC Regulation S-K requires it to identify the minimum skills, experience, and attributes that all board candidates are expected to possess. Ideological diversity contemplates differences in political/policy beliefs. True diversity comes from diversity of thought. There is ample evidence that the many companies operate in ideological hegemony that eschews conservative people, thoughts, and values. This ideological echo chamber can result in groupthink that is the antithesis of diversity. This can be a major risk factor for shareholders."

**Company's response:** The Board recommends a vote against this proposal. "Cigna takes an expansive view of diversity across the organization and remains committed to diversity at the Board level. When we talk about diversity, we mean it in all dimensions, including diversity of opinion and life experience. Our Corporate Governance Committee considers the diversity of skills represented on the Board and focuses on identifying candidates that possess skills and qualifications that are complementary to the existing Board members' skills and will support Cigna's short- and long-term strategies. Our Corporate Governance Guidelines require that director nominees contribute to the overall diversity of the Board, including diversity of age, gender, and race and ethnicity as well as a range of tenure to ensure continuity and fresh perspectives. Further, our Board requires the Corporate Governance Committee, and any search firm it engages, to include women and racially and ethnically diverse candidates in the pool from which to select director candidates. The "Election of Directors" section of this proxy statement describes the

director expectations and qualifications considered by the Board and the Corporate Governance Committee in selecting and nominating directors and the process for director nominations and elections; discusses recent board composition developments; details our commitment to diversity; and presents the biographies, skills, and qualifications of the director nominees."

**PIRC analysis:** The potential benefits of board diversity lie in widening the perspectives on business issues brought to bear on decision-making, avoiding too great a similarity of attitude and helping companies understand their customers, marketplace, supply chain and workforces. Disclosure surrounding the board's composition allows shareholders to consider board diversity in the context of the long-term interests of the Company. 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 has been filed by a right-wing policy think tanks as a spoiler resolution to prevent other shareholders from filing resolutions regarding the company's board 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 board, a vote against the resolution is recommended.

Vote Cast: *Oppose*

Results: For: 0.7, Abstain: 0.5, Oppose/Withhold: 98.8,

## **METROPOLITAN BANK AND TRUST AGM - 28-04-2021**

### *6. Elect Arthur Ty - 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*

### *7. Elect Francisco Sebastian - Vice Chair (Non Executive)*

Non-Executive Director. Not considered to be independent as he is an executive at various subsidiaries of the Company and owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *9. Elect Alfred V. Ty - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he is the son of George S. K. Ty, the Founder of the Company and owner of a controlling shareholding in the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *10. Elect Edmund A. Go - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he has been on the Boards of connected companies in executive positions. He has served on the Board for over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### *12. Elect Vicente Cuna Jr. - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was previously employed by the Company as Head of the Bank's Institutional Banking Sector (2012 -2013) and Corporate Banking Group (2006 - 2012). There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *14. Elect Solomon S. Cua - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he was previously the under-secretary of the finance department of the Bank. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *15. Elect Angelica H. Lavares - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. She was previously Chief Legal Counsel and Compliance Officer of Metrobank. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *18. Appoint Sycip Gorres Velayo & Co. as External Auditors*

Sycip Gorres Velayo & Co. proposed. Non-audit fees represented 3.63% of audit fees during the year under review and 33.25% 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*

#### *19. 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*

### **YDUQS PARTICIPACOES SA AGM - 28-04-2021**

#### *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*

#### *6. Slate Election for Board of Statutory Auditors*

It is proposed to appoint members of the Fiscal Council in a bundled election. In addition, the candidate Pedro Wagner Pereira Coelho is not considered to be independent owing to a tenure on the Fiscal Council of more than nine years. 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*

#### *7. 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*

#### *9. Approve Maximum Remuneration*

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.

Fiscal Council receive only fixed fees. 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. For Management, it is proposed to cap remuneration at BRL 29.8 million. Variable remuneration for executives would correspond to up to 634% 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*

### **SCHNEIDER ELECTRIC SE AGM - 28-04-2021**

#### *O.5. Approve Compensation Report of Corporate Officers*

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

*Vote Cast: Oppose*

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

#### *O.6. Approve Compensation of Jean-Pascal Tricoire, Chair and CEO*

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

Vote Cast: *Oppose*

Results: For: 87.0, Abstain: 0.4, Oppose/Withhold: 12.6,

#### *O.7. Approve Remuneration Policy of Chairman and CEO*

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

Vote Cast: *Oppose*

Results: For: 79.5, Abstain: 1.9, Oppose/Withhold: 18.6,

#### *O.9. Elect Jean-Pascal Tricoire - 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: 91.5, Abstain: 3.6, Oppose/Withhold: 4.9,

#### *O.15. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

#### *E.17. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 224 Million*

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

Vote Cast: *Oppose*

Results: For: 93.5, Abstain: 0.0, Oppose/Withhold: 6.5,

#### *E.18. Approve Issuance of Equity or Equity-Linked Securities for Private Placements up to Aggregate Nominal Amount of EUR 120 Million*

The Board requests authority to approve a global authority for the issue of capital related securities without pre-emptive rights by private placement. The authorisation



is valid up to 10% of the issued share capital over a period of 26 months. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 92.6, Abstain: 0.0, Oppose/Withhold: 7.4,

#### *E.19. Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Under Items 16-18*

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

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

Vote Cast: *Oppose*

Results: For: 86.9, Abstain: 0.0, Oppose/Withhold: 13.0,

#### *E.22. Approve Issue of Shares for Employee Saving Plan*

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

Vote Cast: *Oppose*

Results: For: 96.3, Abstain: 0.0, Oppose/Withhold: 3.7,

### **HUTCHISON CHINA MEDITECH LTD AGM - 28-04-2021**

#### *1. Approve Financial Statements*

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. The Company has failed to do so. Consequently, an oppose vote is recommended

Vote Cast: *Oppose*

#### *2. Elect Simon To - 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*

### 3. Reappoint PricewaterhouseCoopers as Auditors and Authorise Their Remuneration

PwC proposed. Non-audit fees represented 4.10% of audit fees during the year under review and 5.06% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

### 4C. Authorise Issue of Equity without Pre-emptive Rights in Connection with an Equity Raise

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*

### 4D. 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*

## SPIRENT COMMUNICATIONS PLC AGM - 28-04-2021

### 2. Approve the Remuneration Report

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary increase was at 3% and in line with the workforce which the salary increase by 4.1%. The CEO salary is in the median of the competitors group.

**Balance:**The balance of CEO realised pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. The ratio of CEO pay to average employee has been estimated and found to be acceptable at 10:1. The total realized variable pay awarded is considered marginally excessive, as it amounts to approximately 218.1% of salary (Annual Bonus: 124.9% and LTIP: 93.2%).

Rating: AC

Vote Cast: *Abstain*

Results: For: 99.0, Abstain: 0.3, Oppose/Withhold: 0.6,

### 3. Approve Remuneration Policy

**Policy Rating: BDB** Changes Proposed: i) Increase of the maximum opportunity in the LTIP award from 150% of the salary to 200% of the salary for the CEO and from 125% of the salary to 175% of the salary for the CFO, ii) Introduction of a post-cessation share ownership requirement in order to increase the alignment of Executive Directors with shareholders and to ensure compliance with the new UK Corporate Governance Code. This will apply to newly-appointed Executive Directors who will be required to hold the lower of the respective in-role shareholding guideline and the actual shareholding immediately prior to departure for a period of two

years and, iii) Reduction of the pension contribution for the CFO from 20% of the salary to that of the workforce (currently 9.2% of the salary) from the end of 2022. Total variable pay could reach 400% of the salary and is deemed excessive, as is higher than the limit of 200%. Annual Bonus is paid two third in cash and one third is deferred to shares for a three-year period, best practices suggest 50% of the bonus to deferred to shares for a three-year period. 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. However, the company states that different measures may be applied for future award cycles as appropriate to reflect the business strategy. In addition, PIRC has concerns over the use of adjusted EPS because companies have failed, to date, to disclose the specific accounting items over which they have discretion to strip-out or include as one-time items. This highly discretionary methodology frustrates shareholder accountability. Vesting period is three-years which is not considered sufficient long-term, however a two-year holding period apply which is welcomed. Malus and claw back provisions apply for all the variable pay.

Vote Cast: *Oppose*

Results: For: 96.4, Abstain: 0.0, Oppose/Withhold: 3.6,

#### 11. *Re-elect Sir Bill Thomas - 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. Opposition is recommended.

Vote Cast: *Oppose*

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

#### 17. *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: 99.4, Abstain: 0.2, Oppose/Withhold: 0.4,

### HEXAGON COMPOSITES ASA AGM - 28-04-2021

#### 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. 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*

#### 10.1. *Elect Knut Flakk - Chair (Non Executive)*

Non Executive Chair. Not considered to be independent as he is the Chief Executive Officer of Flakk, a major shareholder. Additionally, he has been on the Board for

more than nine years. The appointment data has not been disclosed but the earliest available annual report from 2006, states he was already on the Board. Opposition is recommended.

*Vote Cast: Oppose*

#### *10.2. Elect Kristine Landmark - 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*

#### *11.1. Elect Nomination Committee: Walter Hafslo Qvam*

The Company, has not disclosed any information regarding the nominees to the nomination committee. Opposition is recommended.

*Vote Cast: Oppose*

#### *11.2. Elect Nomination Committee: Knut Trygve Flakk*

Sufficient biographical information has been disclosed and the candidate is not considered to be independent as he is the Chief Executive Officer of Flakk, a major shareholder. Additionally, he has been on the Board for more than nine years. The appointment data has not been disclosed but the earliest available annual report from 2006, states he was already on the Board.. There is insufficient independent representation on the Nomination Committee. Opposition is recommended.

*Vote Cast: Oppose*

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

The following is proposed: "The Board is granted the authority to increase the sharecapital by up to NOK 2,016,195 in one or more issuances. The authorization may be used for one or more of the following purposes: (i) Incentive arrangements for the Company's employees, and/or (ii) For general corporate purposes, including investments, merger and acquisitions. The Board shall determine the subscription terms and other conditions. The Board's decision to increase the share capital according to the proxy must be unanimous. The authorization comprises capital increase by noncash payment or rights to charge the company with special obligations. The authorization comprises resolutions regarding mergers. The authorisation may also be used in the events described in the Norwegian Securities Trading Act Section 617 (2). Existing shareholder's preferential rights to subscribe for shares may be waived by the Board pursuant to this authority. The authorisation shall be valid until the Company's ordinary general meeting in 2022, though no longer than until 30 June 2022. This proxy replaces all previous board authorisations to issue shares" As the is no other available information, opposition is recommended.

*Vote Cast: Oppose*

#### *13. 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 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*

## **BANCO DO BRASIL EGM - 28-04-2021**

### *1. Approve New Executive Share Option Scheme*

It is proposed a new incentive plan. Under the plan, the CEO and other executives will be awarded rights to receive shares in exchange for part of the reinvestment of their salary. The shares resulting from reinvestment will be matched by free shares awarded by the Company. While re-investment of the bonus in shares, or payment of part or all of the bonus in shares, are considered positive practice, share matching plans are viewed as a de facto discount for executives to buy company shares. They can eventually result in excessive payments versus performance. On this basis, opposition is recommended.

*Vote Cast: Oppose*

## **RTL GROUP AGM - 28-04-2021**

### *3. Approve the Dividend*

It is proposed to distribute EUR 3.00 per share from reserves, including share premium. Although legal in this market, it is considered that the share premium account should be moved into distributable reserves through a reduction of capital, and it should not be used as distributable reserve per se. As the Company proposes a direct distribution from the share premium account, opposition is recommended.

*Vote Cast: Oppose*

### *4.1. Approve the Remuneration Report*

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

*Vote Cast: Oppose*

### *5.2. Discharge the Auditors*

Discharge of auditor is not compulsory in this market and is not included in or recommended by the local corporate governance code (the Ten Principles). Auditors discharge may prevent lawsuits or claims for activities carried out during the year relating to facts that have not been disclosed to shareholders. Opposition is recommended.

*Vote Cast: Oppose*

### *6.1. Elect Rolf Hellermann*

Non-Executive Director, member of the Remuneration Committee. Not considered independent as the director is considered to be connected with a significant

shareholder: Bertelsmann SE. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *6.4.1. Elect Thomas Gotz*

Non-Executive Director and member of the Audit Committee. Not considered to be independent as he currently is General Counsel of Bertelsman, the controlling shareholder of the Company. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *6.5. Elect James Singh*

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*

#### *6.4.2. Elect Immanuel Hermreck*

Non-Executive Director, member of the Remuneration Committee. Not considered independent as the director is Executive at Bertelsmann Music Group, the company's controlling shareholder. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *6.4.9. Elect Martin Taylor*

Chair (Non Executive) and member of the Audit Committee. Not considered to be independent as Not considered to be independent as he has been on the board for more than nine years. Appointed Chair on April 2019. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *6.4.3. Elect Bernd Kundrun*

Non-Executive Director. Not considered independent as he has been Chairman of the Board of Management of Bertelsmann, the controlling shareholder of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *6.4.4. Elect Guillaume de Posch*

Non-Executive Director, member of the Remuneration Committee. Not considered independent as the director was previously employed by the Company as Chief

Executive Officer until January 2018. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *6.4.6. Elect Rolf Schmidt-Holtz*

Non-Executive Director, member of the Remuneration Committee. Not considered to be independent as he was previously the Chairman and CEO at Bertelsmann Music Group, the company's controlling shareholder. He was the CEO of CLT-UFA and oversaw the merger of CLT-UFA with Pearson Television to form the RTL Group. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *6.4.7. Elect Bettina Wulf*

Non-Executive Director, member of the Remuneration Committee. Not considered independent as the director is considered to be connected with a significant shareholder: Bertelsmann Capital Holding GmbH. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

### **JBS SA AGM - 28-04-2021**

#### *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*

#### *6.1. Re-elect Jeremiah OCallaghan - Chair (Non Executive)*

Non-Executive Chair. Not considered to be independent as he served as executive, including as Investor Relations Officer at JBS for the past 10 years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *6.2. Re-elect José Batista Sobrinho - Vice Chair (Non Executive)*

Non-Executive Vice Chair. Not considered independent as he founded the Company in 1953. The Batista Family is the controlling shareholder of the company through J&F Investimentos S.A. José Batista Sobrinho is the grandfather of Wesley Mendonça Batista Filho and Aguinaldo Gomes Ramos Filho. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *6.3. Re-elect Aguinaldo Gomes Ramos Filho - Non-Executive Director*

Non-Executive Director. Non-Executive Director. Not considered independent as the director was a member of the Sales team of JBS in Brazil and became the Head of JBS Uruguay. In addition, he is the Chief Executive Officer of Eldorado Brasil Celulose, controlled by the majority shareholder J&F Investimentos S.A. Aguinaldo Gomes Ramos Filho is grandson of José Batista Sobrinho and cousin of Wesley Mendonça Batista Filho. There is insufficient independent representation on the Board. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *6.6. Re-elect Gilberto Meirelles Xandó Baptista - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he was Chief Executive Officer of Vigor. This has been a division at JBS S.A. until 2012, when it was spun-off from JBS to become a direct investment of J&F (the holding of the Batista family). In 2017, J&F sold it to Grupo Lala, a publicly listed company that is not part of JBS of J&F group. However, it is considered that prior employees will not regain independence, also considering that there has not been any cooling-off period between this director leaving a J&F-held company and joining the board of JBS (whose majority is held by the very J&F). There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *6.9. Re-elect Wesley Mendonça Batista Filho - Executive Director*

Executive Director. However, there are concerns from his re-election due to his ties with the settlement for USD 27 million to resolve corruption charges. Opposition recommended.

*Vote Cast: Oppose*

### *7. 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*

### *8.1. Cumulative Voting: Percentage of Votes to Be Assigned to Jeremiah Alphonsus OCallaghan*

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*



### *8.2. Cumulative Voting: Percentage of Votes to Be Assigned to José Batista Sobrinho*

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*

### *8.3. Cumulative Voting: Percentage of Votes to Be Assigned to Aguinaldo Gomes Ramos Filho*

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*

### *8.6. Cumulative Voting: Percentage of Votes to Be Assigned to Gilberto Meirelles Xandó Baptista*

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*

### *8.9. Cumulative Voting: Percentage of Votes to Be Assigned to Wesley Mendonça Batista Filho*

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*

### *11.1. Slate Election for Board of Fiscal Council: Adrian Lima Da Hora and André Alcantara Ocampos (alternate)*

It is proposed to appoint members of the Fiscal Council in a bundled election: Adrian Lima Da Hora as standing member, André Alcantara Ocampos 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 Adrian Lima Da Hora is not considered to be independent, as is an effective member of the Fiscal Board of Eldorado Brasil Celulose S.A, indirectly controlled by JBS. On this basis, opposition is recommended.

*Vote Cast: Oppose*

### *11.2. Slate Election for Board of Fiscal Council: Demetrius Nichele Macei and Marcos Godoy Brogiato (alternate)*

It is proposed to appoint members of the Fiscal Council in a bundled election: Demetrius Nichele Macei as standing member, Marcos Godoy Brogiato 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. Demetrius Nichele Macei 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*

### *11.3. Slate Election for Board of Fiscal Council: José Paulo da Silva Filho and Sandro Domingues Raffai (alternate)*

It is proposed to appoint members of the Fiscal Council in a bundled election: José Paulo da Silva Filho as standing member, Sandro Domingues Raffai 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. José Paulo da Silva Filho 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*

### *12. Approve Maximum Remuneration*

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 123.7 million. Variable remuneration for executives would correspond to up to 584% 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*

## **LONDON STOCK EXCHANGE GROUP PLC AGM - 28-04-2021**

### *3. 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 as the salary for the Chief Executive increased by 2% for the year under review and the workforce salary increased by 3%. However, the CEO salary is in the upper quartile of the competitor group which is raised concerns over excessiveness.

**Balance:**The total realized awards made all incentive schemes are not considered acceptable standing at 726% of base salary for the CEO. In addition, the ratio of CEO pay compared to the average employee is not considered acceptable at 30:1. The balance of realized pay with financial performance is considered acceptable as changes in CEO total pay over the last five years are considered in line with changes in TSR performance during the same period.

Rating: AD

*Vote Cast: Oppose*

**Results: For: 75.2, Abstain: 1.6, Oppose/Withhold: 23.1,**

### *18. 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. It is noted this resolution registered a significant number of oppose votes of 13.35% at the 2019 AGM which has not been adequately addressed. Opposition is recommended.

*Vote Cast: Oppose*

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

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

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

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

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.1, Oppose/Withhold: 1.4,

#### *24. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### **INTESA SANPAOLO SPA AGM - 28-04-2021**

#### *O.1a. 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*

#### *O.2a. 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*

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

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

#### *O.2e. Amend POP Long-Term Incentive Plan*

The Board proposes the approval of a new equity-based incentive plan. Under the plan, participants will be allotted options that will vest over a three-year period. Performance targets have been quantified at this time, which is above market practice. However, while the potential total reward may not excessiveness concerns

(given that the variable remuneration has been capped at 200% of the salary, together with other incentives), the vesting period of three years is considered to be short term. Also, no non-financial criteria apply.

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*

#### *O.3a. Authorize Share Repurchase Program and Reissuance of Repurchased Shares to Service Incentive Plan*

The Board requests authority to repurchase and re-issue the shares to participants in the long term incentive plan proposed at the present meeting. Although companies have a legal duty to fund approved plans, this resolution is considered to be a proposal enabling the LTIP proposed. Based on the concerns on the resolution for the approval of the LTIP, opposition is recommended also on this resolution.

*Vote Cast: Oppose*

#### *O.3b. 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*

### **SNAM SPA AGM - 28-04-2021**

#### *3. Authorise Share Repurchase*

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*

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

#### *4.1. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

*Vote Cast: Oppose*

*Results: For: 97.8, Abstain: 0.4, Oppose/Withhold: 1.8,*

### 5. *Approve Proposed Changes to the 2020-2022 Long Term Share Incentive Plan*

The proposal that the Board of Directors intends to submit for the approval of shareholders, with reference to the second and third attribution cycle of the Share-Based Plan, of the method used to calculate the value of natural gas emissions relevant to the determination of one of the performance conditions under the Share-Based Plan. The amendments are not improving significantly the concerns previously raised, when the plan was originally submitted for approval in 2020: participants will be allotted shares that will vest over a three-year period. Performance targets have been quantified at this time, which is above market practice. However, the potential total reward raises excessiveness concerns (together with other incentives) and the vesting period of three years is considered to be short term.

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

Vote Cast: *Oppose*

Results: For: 99.6, Abstain: 0.2, Oppose/Withhold: 0.2,

### 4.2. *Approve the Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. There are excessiveness concerns as the total payable variable remuneration (bonus and fair value of payable equity) exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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: 96.8, Abstain: 1.6, Oppose/Withhold: 1.6,

## PERSIMMON PLC AGM - 28-04-2021

### 2. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The highest paid director for the year under review was Mr. Killoran the Finance Director. The Finance Director salary is in line with the workforce, the increase on the Finance Director salary was 1.6% and the workforce has an increase in salary of 2.3%. The Finance Director salary is in the median of the Company's comparator group.

**Balance:**Changes in the highest paid director's total remuneration over the past five years are not in line with changes in TSR during the same period. For the year under review no variable pay was vested to the highest paid director which is commendable. The ratio of highest paid director pay compared to average employee pay is acceptable at 15:1.

Rating: AC

Vote Cast: *Abstain*

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

### 3. *Re-elect Roger Devlin - Chair (Non Executive)*

Chair. Independent upon appointment. In addition, Mr. Devlin is Chair of the Nomination committee. It is not clear from company reporting that the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards, are being sufficiently addressed and acted upon. As Chair of the nomination committee, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 97.3, Abstain: 1.8, Oppose/Withhold: 0.9,

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

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 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,

### 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: 98.5, Abstain: 0.3, Oppose/Withhold: 1.1,

## **GRAFTON GROUP PLC AGM - 28-04-2021**

### 1. *Receive the Annual Report*

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

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.2, Oppose/Withhold: 1.4,

### 3.A. *Re-elect Michael Roney - Chair (Non Executive)*

Non-Executive Chair, independent on appointment. However, Mr. Roney is also Chair of the Nomination Committee.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity

should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. At this time, diversity on the board is below the above-mentioned level; nevertheless, the company has stated it as target one third of the Board female representation, as set out in the Hampton-Alexander Review. Furthermore, It is not clear from company reporting that the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards, are being sufficiently addressed and acted upon. In addition, Mr. Roney 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. Finally it is noted that Mr. Roney received significant opposition in his re-election on the 2020 Annual General Meeting of 13.9% of oppose votes and, the Company did not disclosed how it address the issue with its shareholders. Overall opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 53.4, Abstain: 10.1, Oppose/Withhold: 36.5,*

#### *4. Ratify PricewaterhouseCoopers as Auditors*

PwC proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. Support is recommended. 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 and Ireland (as the law is similar in each state) 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 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: 98.8, Abstain: 0.0, Oppose/Withhold: 1.2,*

#### *10. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

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

#### *14. Approve 2021 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: 97.7, Abstain: 0.0, Oppose/Withhold: 2.3,

## BRITISH AMERICAN TOBACCO PLC AGM - 28-04-2021

### 2. Approve the Remuneration Report

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The salary for the CEO increased by 3% and is in line with the workforce. However, CEO salary is in the upper quartile of the competitors group which raises concerns for potential excessiveness.

**Balance:**Changes in the CEO's total remuneration over the past five years are not in line with changes in TSR during the same period. Awards granted under the Annual Bonus and the LTIP are excessive, amounting to 228.61% of salary for the CEO. The ratio of CEO pay compared to average employee pay is not acceptable at 166:1, and significantly exceeds the recommended limit of 20:1.

Rating: AD

Vote Cast: *Oppose*

Results: For: 61.7, Abstain: 0.0, Oppose/Withhold: 38.3,

### 3. Re-appoint KPMG LLP as auditors of the Company

KPMG proposed. Non-audit fees represented 2.69% of audit fees during the year under review and 2.62% 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 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,

#### 5. *Re-elect Luc Jobin - Chair (Non Executive)*

Newly appointed Chair at the end of the 2021 AGM. Not considered independent as he served as the CEO of Imperial Tobacco Canada, a subsidiary of the Company, from 2003 to 2005, and was the Executive Vice President and Chief Financial Officer from 1998 to 2003. In addition, it is a generally accepted norm of good practice that a Chair of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Being a non-independent Chair is considered to be incompatible with this. Oppose vote is therefore recommended.

Vote Cast: *Oppose*

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

#### 13. *Re-elect Dimitri Panayotopoulos - Senior Independent Director*

Senior Independent Director. Considered independent. However, Mr. Panayotopoulos received significant opposition on the 2020 AGM of 10.81% which the company did not disclose how it address the issue with its shareholders. On balance abstention is recommended.

Vote Cast: *Abstain*

Results: For: 86.1, Abstain: 0.0, Oppose/Withhold: 13.9,

#### 18. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

#### 19. *Approve Political Donations*

Approval sought to make donations to political organizations and incur political expenditure not exceeding GBP100,000 in total. The Company did not make any political donations to European Union (EU) political organizations or incur EU political expenditure and has no intention either now or in the future of doing so. However, it is noted that RAI Companies reported political contributions totaling GBP 4,851,616 (USD 6,229,475) for the full year 2020 to US political organizations, non-federal-level political party committees and to campaign committees of various non-federal candidates, in accordance with their contributions programme. Donations to political organizations are not acceptable and are contrary to best practice. An oppose vote is recommended.

Vote Cast: *Oppose*

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

### ASSA ABLOY AB AGM - 28-04-2021

#### 10. *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*

### *12. Approve the Remuneration Report*

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

*Vote Cast: Oppose*

### *13. Authorize Class B Share Repurchase Program and Re-issuance of Repurchased Shares*

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

*Vote Cast: Oppose*

### *14. Approve Performance Share Matching Plan LTI 2021*

It is proposed the approval of a new executive incentive plan. Under the plan, the CEO and other executives will be allotted shares or rights to shares. The Company does not disclose clear performance criteria but only a list of indicators, 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*

## **COGNA EDUCACAO SA EGM - 28-04-2021**

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

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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

*Vote Cast: Oppose*

**AKER ASA AGM - 28-04-2021****5. 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*

**9. 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*

**10. Elect Kjell Inge Røkke (Chairman) and Leif-Arne Langøy as Members of Nominating Committee**

It is proposed to elect Kjell Inge Røkke and Leif-Arne Langøy to the Nomination Committee. As Kjell Inge Røkke is also the Chair of the Committee, and this is against the recommendations of the Corporate Governance Code, opposition is recommended.

Vote Cast: *Oppose*

**12. Authorise Share Repurchase**

It is proposed to authorise the Board to purchase Company's shares with an aggregate nominal value of up to approximately 10 per cent 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*

**13. Authorise Share Repurchase**

It is proposed to authorise the Board to purchase Company's shares with an aggregate nominal value of up to approximately 10 per cent 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*

**14. Authorise Share Repurchase**

It is proposed to authorise the Board to purchase Company's shares with an aggregate nominal value of up to approximately 10 per cent of the company's share capital 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*

#### **GOLDEN AGRI RESOURCES LTD AGM - 28-04-2021**

##### *8. Re-appoint Moore Stephens LLP as the Auditors*

Moore Stephens LLP proposed. Non-audit fees represented 2.27% of audit fees during the year under review and 3.78% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The date of appointment of the current audit firm is undisclosed, meaning the length of tenure is not known. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

##### *9. Approve General Share Issue Mandate*

The authority is limited to 50% of the share capital on a pro-rata basis and no more than 20% can be issued without pre-emptive rights. The mandate expires at the next Annual General Meeting. However, a limit exceeding 10% of shares issued without pre-emptive rights is deemed unacceptable. An oppose vote is recommended.

Vote Cast: *Oppose*

##### *10. Renewal of Share Purchase Mandate*

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*

##### *11. Renewal of Interested Person Transactions Mandate*

Approval is sought for the Interested Person Transaction (IPT Mandate) to facilitate transactions in the normal course of business among the Company, its subsidiaries or affiliate companies, directors, chief executive officer(s), controlling shareholders of the Company and their respective associates and relatives.

Whilst it is stated that procedures are in place to ensure the transactions are conducted at arm's length basis, such general authorities are not supported, as they do not allow thorough assessment of proposals from shareholders. Specific details relating to specific transactions should be provided to shareholders. Also, there is insufficient independence on the Board to provide objective oversight of the proposal. Opposition is therefore recommended.

Vote Cast: *Oppose*

#### **MUENCHENER RUECK AG (MUNICH RE) AGM - 28-04-2021**

##### *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*

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

## **ENGIE BRASIL ENERGIA SA AGM - 28-04-2021**

### *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. Approve Executive and Board Directors Share Option Plan*

The Board proposes the approval of a new executive and non executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure. Additionally, 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*

### *5. 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 17.7 million. Variable remuneration for executives would correspond to up to 75.7% 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*

**AMERIPRISE FINANCIAL INC. AGM - 28-04-2021****1a. *Elect James M. Cracchiolo - 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.

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 the concerns over the Company's sustainability policies and practice in addition to the other concerns regarding the concentration of power, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 89.8, Abstain: 0.2, Oppose/Withhold: 10.0,

**1c. *Elect Amy DiGeso - 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 auditor: It is noted she was a managing partner at PwC at an undisclosed date which makes it difficult for the cool-off period to be calculated. It is also noted she is a member of the compensation committee which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.1, Oppose/Withhold: 1.7,

**1d. *Elect Lon R. Greenberg - 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. It is also noted the director is a member of the audit and compensation committees which should comprise wholly of independent directors. In addition, there are concerns over the director's potential aggregate time commitments and the director could not prove full attendance at board and committee meetings during the year. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.2, Oppose/Withhold: 1.1,

**1e. *Elect Jeffrey Noddle - 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. It is also noted the director is a member of the compensation committee which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 93.3, Abstain: 0.2, Oppose/Withhold: 6.5,

**1f. *Elect Robert F. Sharpe Jr - Senior Independent Director***

Presiding Director. It is noted this director received a significant number of oppose votes of 10.03% at the 2020 AGM. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. It is also noted the director is a member of the compensation committee which should comprise wholly of independent directors. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the Board.

Vote Cast: *Oppose*

Results: For: 71.1, Abstain: 0.2, Oppose/Withhold: 28.7,

#### 1h. *Elect W. Edward Walter III - 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: 95.9, Abstain: 0.3, Oppose/Withhold: 3.8,

#### 1i. *Elect Christopher J. Williams - 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: 99.2, Abstain: 0.3, Oppose/Withhold: 0.6,

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

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. It is noted this proposal registered a significant number of oppose votes of 10.33% at the 2020 AGM. 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: BED. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.7, Abstain: 0.3, Oppose/Withhold: 11.9,

#### 3. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 4.85% of audit fees during the year under review and 5.84% 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: 98.4, Abstain: 0.2, Oppose/Withhold: 1.4,

### **PRYSMIAN SPA AGM - 28-04-2021**

#### 0.6. *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*

#### 0.7. *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*

#### *O.8. Amend Employee Stock Purchase Plan*

The Board proposes the approval of the amended Employee Stock Purchase Plan. Under the plan, the CEO, other executives and other employees 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*

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

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. 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*

#### *O.10. Approve the Remuneration Report*

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

#### *E.1. Issuance of Shares for Existing Incentive Plan*

It is proposed to increase the share capital by issuing new shares to the service of the incentive plan proposed at this meeting: thus, opposition is recommended based on the concerns identified on the proposed incentive plan.

*Vote Cast: Oppose*

### **GREENCOAT UK WIND PLC AGM - 28-04-2021**

#### *4. Re-appoint BDO LLP as auditor of the Company*

BDO 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. Abstention is recommended.

*Vote Cast: Abstain*

### 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: 99.4, Abstain: 0.6, Oppose/Withhold: 0.0,*

## NATWEST GROUP PLC AGM - 28-04-2021

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

EY proposed. Non-audit fees represented 2.83% of audit fees during the year under review and 4.49% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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 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: 99.1, Abstain: 0.0, Oppose/Withhold: 0.8,*

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

#### *20. Issue Shares with Pre-emption Rights in relation to the issuance of Equity Convertible Notes*

It is proposed to authorise the Board to grant rights to subscribe for or to convert any security into Ordinary Shares in the Company up to an aggregate nominal amount of GBP1.5 billion in relation to one or more issues of Equity Convertible Notes (ECNs). This authority shall expire at the conclusion of the next Annual General Meeting of the Company, or 30 June 2021 (whichever is earlier).

In response to regulatory requirements and developments and to allow the Group to manage its capital in the optimal way, the Board has determined that the Group might wish to issue further loss-absorbing capital instruments in the form of ECNs when markets are favourable. The ECNs would convert into newly issued Ordinary Shares in the Company upon the occurrence of certain events (for example, the Group's capital ratios falling below a specified level), diluting existing holdings of Ordinary Shares. It is noted the Company last issued ECNs in 2016 to the value of circa GBP2 billion equivalent to date at a GBP 1.75 equivalent conversion price. This first resolution grants the Directors authority to allot Ordinary Shares or grant rights to subscribe for or to convert any security into Ordinary Shares up to an aggregate nominal amount of GBP1.5 billion, while the resolution 24 will allow to issue the same securities on a non-pre-emptive basis. Disapplying pre-emption rights may result in excessive dilution. The dilution involved for those shareholders not able to subscribe may significantly decrease their interest in the Bank.

The use of ECNs are not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. ECNs are relatively new instruments and there are concerns that they may create a situation which whilst converting some debt to equity actually disincentivises equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Recent events at Deutsche Bank has led to others voicing their concerns about the destabilising effect of ECNs on both the ECN price and the share price. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

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

#### *21. Issue Shares for Cash in relation to the issuance of Equity Convertible Notes*

This resolution will give the Directors authority to allot equity securities wholly for cash up to an aggregate nominal amount of GBP1.5 billion in connection with the issue of Equity Convertible Notes. In line with the voting recommendation on resolution 20, an oppose vote is recommended.

Vote Cast: *Oppose*

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

#### *24. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 97.9, Abstain: 0.1, Oppose/Withhold: 2.0,

**RWE AG AGM - 28-04-2021****5. *Appoint the Auditors***

PwC proposed. Non-audit fees represented 35.51% of audit fees during the year under review and 32.68% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 91.6, Abstain: 0.0, Oppose/Withhold: 8.4,

**6.1. *Elect Werner Brandt - Chair (Non Executive)***

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

Vote Cast: *Abstain*

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

**7. *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: 93.2, Abstain: 0.0, Oppose/Withhold: 6.8,

**6.2. *Elect Hans Bunting - Non-Executive Director***

Non-Executive Director. Not considered independent as the director was previously employed by the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

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

**6.5. *Elect Monika Kircher - 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: 97.5, Abstain: 0.0, Oppose/Withhold: 2.5,

**6.7. *Elect Erhard Schipporeit - Non-Executive Director***

Not consider independent since he has served as the Chair of the Board of innogy S.E a subsidiary of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 94.6, Abstain: 0.0, Oppose/Withhold: 5.4,

### 6.8. *Elect Ullrich Sierau - 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: 97.8, Abstain: 0.0, Oppose/Withhold: 2.2,

## **MARR AGM - 28-04-2021**

### o.3.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*

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

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

## **HEXPOL AB AGM - 28-04-2021**

### 10.1. *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*

### 10.2. *Elect Alf Goransson*

Chair (Non Executive), member of the Remuneration Committee. The Director is not considered independent as the director is considered to be connected with a significant shareholder: Melker Schörling AB, the major shareholder. He has been President and CEO of Securitas AB (until March 2018), where Melker Schörling AB is a significant shareholder. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*

### 13. *Approve the Remuneration Report*

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

Vote Cast: *Oppose*

### 14. *Resolution on guidelines for remuneration to senior executives*

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*

## **MARATHON PETROLEUM CORPORATION AGM - 28-04-2021**

### 1.b. *Elect Jonathan Z. Cohen - 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: 93.6, Abstain: 1.4, Oppose/Withhold: 5.0,

### 2. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 5.23% of audit fees during the year under review and 8.82% 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: 98.6, 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: ADC. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 30.0, Abstain: 0.6, Oppose/Withhold: 69.4,

#### *4. Approve All Employee Stock Plan*

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

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

Vote Cast: *Oppose*

Results: For: 94.4, Abstain: 0.3, Oppose/Withhold: 5.3,

### **ROYAL UNIBREW AGM - 28-04-2021**

#### *5. Approve the Remuneration Report*

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

#### *7.2. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

#### *8.A. Elect Walther Thygesen - Chair (Non Executive)*

Chair of the Nomination Committee. Section 139a(1) of the Danish Companies Act, or Selskabsloven, defines gender balance as a 40%/60% split. At this time gender diversity on the Board is at a lower level. Although there are no legal requirements or sanctions (beyond outlining diversity policy and targets, which the Company has done) it is considered that companies should go beyond minimum regulatory requirements on issues such as diversity. In particular, in this case it is considered that the Chair of the Nomination Committee should have coordinated recruitment with an enhanced focus on diversity, in order for the Company to reflect what is considered to be a balanced gender representation in the Selskabsloven. As opposition is not a valid voting option, abstention is recommended.

Vote Cast: *Abstain*

#### *8.G. Elect Torben Carlse - 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*

#### *9. Appoint the Auditors*

KPMG proposed. There were non-audit fees during the year under review and 82.66% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. As opposition is not a valid voting outcomes on this resolution, abstention is recommended.

*Vote Cast: Abstain*

#### *10. 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*

### **UNIPOL SAI ASSICURAZIONI S.P.A. AGM - 28-04-2021**

#### *O.2.1. Elect Mario Cifiello*

Non-Executive Director, member of the Nomination Committee. Gender balance on the Board is under 30%, which is considered as best practice in this market. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members, and members of the Nomination Committee, 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. Moreover, Mario Cifiello is not considered independent as he is connected with a significant shareholder: Unipol Gruppo S.p.A.. Opposition is recommended.

*Vote Cast: Oppose*

#### *O.3.2. Approve Remuneration of Board of Statutory Auditors*

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*

#### *O.4.1. 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*

#### *O.4.2. Approve the Remuneration Report*

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

#### *O.5. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

### **URBI DESARROLLOS URBANOS SA AGM - 28-04-2021**

#### *I. Approve Financial Statements*

At this time, the financial statements have not been made available. Although not uncommon in this market, it is considered a serious reporting omission. Abstention is recommended.

*Vote Cast: Abstain*

#### *II. 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*

#### *V. Determination Of The Maximum Amount Of Funds That Will Be Able To Be Allocated To Share Buybacks By The Company*

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*

## **ALCON AG AGM - 28-04-2021**

### *1. 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*

### *2. Discharge the Board and Senior Management*

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*

#### *4.1. Approve the Remuneration Report (Non-Binding)*

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

#### *4.3. Approve Aggregate Cap of Remuneration of the Executive Committee*

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. 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 38.4 million. This proposal includes fixed and variable remuneration components.

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

*Vote Cast: Oppose*

*5.1. Elect F. Michael Ball - Chair (Non Executive)*

Non Executive Chair. Not considered independent as the director was previously employed by the Company as CEO. Opposition is recommended.

*Vote Cast: Oppose*

*6.2. Elect Remuneration Committee: Keith Grossman*

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*

*6.4. Elect Remuneration Committee: Ines Poschel*

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*

**GRUPO TELEVISIA SAB EGM - 28-04-2021**

*I. 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*

**BANCO DO BRASIL AGM - 28-04-2021**

*1.1. Elect Aramis Sa de Andrade - Non-Executive Director*

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

*Vote Cast: Oppose*

*1.4. Elect Ieda Aparecida de Moura Cagni - Non-Executive Director*

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

*Vote Cast: Oppose*

*1.5. Re-elect Waldery Rodrigues Júnior - Vice Chair (Non Executive)*

Not considered independent as the director is considered to be connected with a significant shareholder: the Brazilian Government. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*1.6. Elect Walter Eustaquio Ribeiro - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was previously employed by the Company as Executive Director. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*2. 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*

*3.1. Percentage of Votes to Be Assigned - Elect Aramis Sa de Andrade 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*

*3.2. Percentage of Votes to Be Assigned - Elect Debora Cristina Fonseca 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*

*3.4. Percentage of Votes to Be Assigned - Elect Ieda Aparecida de Moura Cagni 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*

### *3.5. Percentage of Votes to Be Assigned - Elect Waldery Rodrigues Junior 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*

### *3.6. Percentage of Votes to Be Assigned - Elect Walter Eustaquio Ribeiro 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*

### *4.1. Elect Lucas Pereira do Couto Ferraz as Fiscal Council Member*

It is welcomed that the Company has submitted individual proposals for the candidates to the Fiscal Board. The candidate to standing member is not considered to be independent, as indicated by the Ministry of Economy of Brazil. In terms of good governance, it is considered that all of the candidates to the Fiscal Board should be independent. Opposition is thus recommended.

*Vote Cast: Oppose*

### *4.2. Elect Rafael Cavalcanti de Araujo as Fiscal Council Member and Lena Oliveira de Carvalho*

It is proposed to appoint members of the Fiscal Council in a bundled election: Rafael Cavalcanti de Araujo as standing member, Lena Oliveira de Carvalho 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 Rafael Cavalcanti de Araujo is not considered to be independent, as federal auditor of finance and control at the National Treasury Secretariat. On this basis, opposition is recommended.

*Vote Cast: Oppose*

### *4.3. Elect Samuel Yoshiaki Oliveira Kinoshita as Fiscal Council Member*

It is welcomed that the Company has submitted individual proposals for the candidates to the Fiscal Board. The candidate to standing member is not considered to be independent, as special advisor to the Ministry of Economy. In terms of good governance, it is considered that all of the candidates to the Fiscal Board should be independent. Opposition is thus recommended.

*Vote Cast: Oppose*

### *4.4. Elect Aloisio Macario Ferreira de Souza as Fiscal Council Member and Tiago Brasil Rocha as Alternate Appointed by Minority Shareholder*

It is proposed to appoint members of the Fiscal Council in a bundled election: Aloisio Macario Ferreira de Souza as standing member, Tiago Brasil Rocha 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 Aloisio Macario Ferreira de Souza is not considered to be independent, as Advisor on the International Area of Banco do Brasil On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *4.5. Elect Carlos Alberto Rechelo Neto as Fiscal Council Member and Sueli Berselli Marinho as Alternate Appointed by Minority Shareholder*

It is proposed to appoint members of the Fiscal Council in a bundled election: Carlos Alberto Rechelo Neto as standing member, Sueli Berselli Marinho 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 Carlos Alberto Rechelo Neto is not considered to be independent, as he is considered to be connected with Brazilian government. He was executive Director of Petrobrás, where the Brazil government is a controlling shareholder. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *5. 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*

#### *7. 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 95.7 million. Variable remuneration for executives would correspond to up to 235% 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*

#### *8. 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*

#### *9. Approve Remuneration of Audit Committee Members*

The board seek to approve Remuneration of Audit Committee Members in an amount of BRL 60,127.21. There is no disclosure about payments made from last year at the present time to compare the increase.

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*

### *1.3. Elect Fausto de Andrade Ribeiro - Non-Executive Director*

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

*Vote Cast: Oppose*

### *3.3. Percentage of Votes to Be Assigned - Elect Fausto de Andrade Ribeiro 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*

## **EPIROC AB AGM - 28-04-2021**

### *7.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: Abstain*

### *7.B.5. Approve Discharge of 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. As there is not Sustainability Committee, Mr. Ronnie Leten, as Chair of the Board is the person accountable for the Company's sustainability programme. Abstention is recommended on the discharge.

*Vote Cast: Abstain*

### *7.D. Approve the Remuneration Report*

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

*Vote Cast: Oppose*

*11. Approve Stock Option Plan 2021 for Key Employees*

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*

*12.A. Approve Equity Plan Financing Through Repurchase of Class A Shares*

The Board requests authority to repurchase and re-issue A 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*

*12.C. Approve Equity Plan Financing Through Transfer of Class A Shares to Participants*

The Board requests authority to repurchase and re-issue the shares to participants in the option 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*

**FORTUM OYJ AGM - 28-04-2021**

*7. Accept Financial Statements and Statutory Reports*

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. The Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. 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, abstention is recommended on the discharge.

*Vote Cast: Abstain*

#### *10. Approve the Remuneration Report*

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

#### *15. Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 7.69% of audit fees during the year under review and 39.39% 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*

#### *16. Authorize Share Repurchase Program*

It is proposed to authorise the Board to purchase Company's shares for 2.25% and 12 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. Authorize Reissuance of Repurchased Shares*

The Board requests authority to approve an authority for the issue of shares by private placement. 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*

### **HONG LEONG FINANCE LTD AGM - 29-04-2021**

#### *3. 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*

*4.a. Elect Kwek Leng Beng*

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*

*4.b. Elect Kwek Leng Peck*

Non-Executive Director. Not considered to be independent as he holds a substantial interest in the share capital of the Company. Moreover, he is the cousin of Kwek Leng Beng and Kwek Leng Kee, and he is an executive director of Hong Leong Asia, a company of the Hong Leong Group. He has served on the Board for more than nine years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*4.c. Elect Kwek Leng Kee*

Non-Executive Director. Not considered to be independent as he holds a substantial interest in the share capital of the Company. Moreover, he is the cousin of Kwek Leng Beng and Kwek Leng Peck and he is the assistant managing director at Hong Leong Holdings, a Hong Leong Group company and a shareholder in Hong Leong Finance Ltd. He has served on the Board for more than nine years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*6. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

*7. Approve New Executive Share Option Scheme*

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*

## GLENCORE PLC AGM - 29-04-2021

### 1. *Receive the Annual Report*

Strategic Report meets guidelines. Adequate environmental and employment policies are in place and relevant, up-to-date, quantified environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organization. However, there are important corporate governance concerns surrounding UK and Chadian organizations accused Glencore of flawed environmental operations which caused a toxic waste spill at the company's Badila oilfield. The UK NGO RAID and Chadian organizations the Public Interest Law Center (PILC) and the Association of Young Chadians of the Petroleum Zone (Association des Jeunes Tchadiens de la Zone Petroliere - AJTZP) filed a specific instance at the UK National Contact Point (NCP). The complaints relate to flawed environmental due diligence, a lack of meaningful engagement with local residents and inadequate social investment that caused a toxic waste spill at the Badila oilfield on 21 July 2020 which contaminated the local environment and the river. Further concerns on the health and safety policies are raised with regards to the level of fatalities ( 8 fatalities reported for the year under review) during the year, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.2, Abstain: 1.1, Oppose/Withhold: 0.7,

### 3. *Elect Anthony Hayward - Chair (Non Executive)*

Chairman of the Board. Independent upon appointment. Mr Hayward is still subject to legal proceedings in the Deepwater Horizon trial, as he was CEO of BP plc at the time. This raises concerns over his time commitments and over his track-record and competency. Based on the above concerns, it is recommended to oppose.

Vote Cast: *Oppose*

Results: For: 94.4, Abstain: 0.1, Oppose/Withhold: 5.5,

### 4. *Re-elect Ivan Glasenberg - Chief Executive for a term expiring on 30 June 2021*

Chief Executive. Acceptable service contract provisions. There are governance concerns surrounding the alleged categories by the UK NGO RAID and Chadian organizations the Public Interest Law Center (PILC) and the Association of Young Chadians of the Petroleum Zone for the toxic waste spill at the Badila oilfield on 21 July 2020 which contaminated the local environment and the river. PIRC is concerned over the subsequent reputational damage revelations of this magnitude may have caused to the Company. As CEO, Mr. Ivan Glasenberg is responsible for how the Company conducts itself both domestically and internationally. Owing to the the broader implications resulting from it's business operations, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.2, Abstain: 1.1, Oppose/Withhold: 0.7,

### 5. *Re-elect Peter Coates - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was previously employed by the Company. Mr. Peter Coates has served on the Board as non-Executive Director since January 2014. Previously Mr. Coates was Executive Director of the Company from June to December 2013 and Non-Executive Director of the Company from April 2011 to May 2013. Also not considered independent owing to a tenure of over nine years. The director is Chair of HSEC Committee, and harbours the responsibility for the safety of the Group's employees. It is noted that fatalities in the Company decreased during the year under review from 17 to 8. However, the number of fatalities still raises concerns over the company's health and safety policy. Although there is sufficient independent representation on the Board to support the director, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 93.7, Abstain: 1.2, Oppose/Withhold: 5.1,

### 11. *Re-appoint Deloitte as Auditor of the Company*

Deloitte proposed. Non-audit fees represented 8.33% 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 ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is recommended.

Vote Cast: *Oppose*

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

### 13. *Approve Glencore plc Incentive Plan*

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

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

Vote Cast: *Oppose*

Results: For: 79.4, Abstain: 1.1, Oppose/Withhold: 19.5,

### 15. *Approve Remuneration Policy*

**Policy Rating: ACC** Changes proposed : i) Annual bonus maximum increased from 200% to 250% with 50% of any bonus outcome deferred for three years into shares. Minor clarifications to the operation of deferral and distribution accrual and ii) Introduction of RSP. Under the new plan, the CEO will receive an annual grant of shares worth 225% of salary. The vesting is subject to an underpin, combined with a holding requirement until two years post-employment.

It is noted that, Mr. Glasenberg continues to waive entitlement to all variable elements, including both bonus and long-term incentives. His base salary and all benefits are set at less than 25% of the aggregate remuneration which would potentially have been available to him had he not waived participation in these aspects. These waivers are considered appropriate as the level of his personal shareholding is sufficient to provide a keen alignment of interest between him and of shareholders more generally without the need to add additional aspects to his package (and cost to other shareholders).

However, although the incentive plans are not in use, concerns remain in case the policy is used for future executive directors. The maximum potential award under all the variable schemes is 425% of salary which is excessive. The use of LTIP is, in principle, not supported. LTIPs are not considered an effective means of incentivizing performance as they are inherently flawed. Dividend equivalents may be paid on vested shares, which is not supported. The upside discretion given to the Remuneration Committee to disapply time-pro-rating on LTIP shares vesting upon termination is inappropriate.

Vote Cast: *Abstain*

Results: For: 72.5, Abstain: 2.3, Oppose/Withhold: 25.2,

### 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: 89.4, Abstain: 0.0, Oppose/Withhold: 10.5,

### 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: 96.6, Abstain: 0.0, Oppose/Withhold: 3.3,

## CRH PLC AGM - 29-04-2021

### 3. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary decrease by 4%, were the workforce salary increase by 1%. Therefore CEO salary is in line with the workforce. The Chief Executive salary is above the upper quartile of the competitors group which raises concerns for potential excessiveness.

**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 was at 618.8% of the salary (Annual Bonus: 206% & PSP: 412.8%) . It is recommended that total variable pay does not exceed 200% of salary in a year. The ratio of CEO pay compared to average employee pay is unacceptable, standing at 76:1, it is recommended that the ratio does not exceed 20:1.

**Rating:** AE

Vote Cast: *Oppose*

Results: For: 91.4, Abstain: 0.1, Oppose/Withhold: 8.5,

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

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

Vote Cast: *Oppose*

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

### 10. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

Results: For: 97.4, Abstain: 0.1, Oppose/Withhold: 2.6,

## ITV PLC AGM - 29-04-2021

### 3. Approve Remuneration Policy

**Policy rating : ACD** Changes Proposed: i) Introduction of a Restricted Share Plan, The key design features of the plan will be: 1) a discount of 50% on the previous LTIP award levels – i.e. proposed grant levels: Chief Executive – 132.5% of salary; Group CFO – 112.5% of salary, 2) shares released after five years; and 3) the vesting of awards subject to a performance underpin.

Although the decrease in the maximum opportunity for the Restricted share award is welcomed total variable pay could reach 312.5%% of the salary for the CEO and 277.5% of the salary for the CFO and is excessive since is still higher than 200%. A third of the Bonus is deferred to shares for a period of two-years, while bonus deferral is welcomed, the best practice is for at least half of the annual bonus to be deferred into shares. The performance metrics for the Annual Bonus are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met The new Restricted share plan has a vesting period of three years which is not considered sufficiently long-term, however, a two-year holding period apply which is welcomed. The Performance underpin for the Restricted share plan are financial and non-financial which is in line with best practices. Malus and claw back provisions apply for both the Annual Bonus and the Restricted Share Plan and is welcomed. Executive Directors have rolling service contracts that provide for 12 months' notice on either side. For a new joiner, the contract may commence with a notice period of up to two years reducing to the standard 12 months over time. This cause some concerns, however the company states that where appropriate, elements of the package may be outside of the policy to meet the circumstances of the individual upon recruitment. There are no special provisions that apply in the event of a change of control.

Vote Cast: *Oppose*

Results: For: 85.0, Abstain: 7.8, Oppose/Withhold: 7.2,

### 15. Appoint PricewaterhouseCoopers LLP as Auditors

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

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

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

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.1, Oppose/Withhold: 2.8,

### 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: 91.3, Abstain: 0.1, Oppose/Withhold: 8.6,

#### 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: 96.8, Abstain: 0.2, Oppose/Withhold: 3.0,

#### 24. *Approve New ITV plc Executive Share Plan rules*

The Board proposes the approval of a new Restricted Share 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. Awards will normally be granted annually with vesting after three years, subject to satisfaction of a performance underpin. For 2021 awards, the Remuneration Committee will retain the ability to reduce vesting of the Restricted Shares (including to nil) where: i) Adjusted Return on Capital Employed is below the Company's cost of capital; and, ii) There is a material weakness in the underlying financial health or sustainability of the business.

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

Vote Cast: *Oppose*

Results: For: 92.4, Abstain: 0.1, Oppose/Withhold: 7.5,

### **ENIRO AB AGM - 29-04-2021**

#### 1. *Elect Chair of the Meeting*

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. *Designate Inspector(s) of Meeting*

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. *Prepare and Approve List of Shareholders*

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. Adoption of Agenda*

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. Acknowledge Proper Convening of Meeting*

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. Receive Financial Statements and Statutory Reports*

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*

#### *7.1. 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*

#### *7.2. Approve Allocation of Income and Omission of Dividend*

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*

#### *7.3. Discharge of the Board and President*

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. Determine Number of Members (5) and Deputy Members (0) of the Board*

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*

#### *9. 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*

*10. Elect Board: Slate Election*

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*

*11. Ratify Grant Thornton Sweden as Auditors*

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*

*12. Approve the Remuneration Report*

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*

*13. Approve Remuneration Policy*

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*

*14. Approve Name Change*

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*

*15A. Convert All Outstanding Preference Shares of Series A into Common Shares of Series A*

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*

*15B. Approve SEK 207,021.6 Reduction in Share Capital via Preference Share of Series B Cancellation Through Payments to Shareholders*

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*

*15C. Approve Capitalization of Reserves of SEK 207,021.6*

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*

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

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*

#### 17. *Close Meeting*

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*

### **BASF SE AGM - 29-04-2021**

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

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 there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, and the financial statements are not submitted to vote, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 76.1, Abstain: 5.0, Oppose/Withhold: 18.9,

#### 4. *Approve Discharge of Management Board for Fiscal Year 2020*

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 there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, and the financial statements are not submitted to vote, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 97.4, Abstain: 1.5, Oppose/Withhold: 1.1,

#### 5. *Ratify KPMG AG as Auditors for Fiscal Year 2021*

KPMG proposed. Non-audit fees represented 1.02% of audit fees during the year under review and 1.16% 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 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: 92.9, Abstain: 0.7, Oppose/Withhold: 6.3,

## MEGGITT PLC AGM - 29-04-2021

### 2. *Approve Remuneration Policy*

**Policy Rating: BCC** Changes proposed: i) An increase in the total long-term incentive opportunity from 220% to 250% of salary, ii) Introduction of restricted share awards (RSA) to complement the existing performance share awards (PSA) awarded under the LTIP and, iii) Reduction of vesting threshold for PSAs under the LTIP from 30% to 25% of maximum.

Total potential variable pay could reach 400% of the salary and is considered excessive. 75% of the Annual Bonus is paid in cash and 25% is deferred to shares for a period of two-years, it would be preferable 50% of the Bonus to deferred to shares. Annual Bonus awards are based on combination of the financial performance of the Group and personal performance. For the year under review those were: Underlying operating profit, Free cash flow and Strategic and financial personal objectives. Malus and claw back provisions apply for the Annual Bonus. For the long-term incentives awards, if shareholders approve, awards would consist of Performance Share Awards (125%) and Restricted Share Awards (62.5%).LTIP awards for the year under review have performance measures: Earnings per Share (EPS), Return on Capital Employed (ROCE); and Strategic goals. Performance period is three years which is not considered sufficiently long-term, however a two-year holding period apply which is welcomed. Malus and claw back provisions apply for the LTIP awards.

Vote Cast: *Abstain*

Results: For: 75.1, Abstain: 0.7, Oppose/Withhold: 24.2,

### 3. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. CEO is in line with the workforce. The CEO salary is in the median of the competitors group.

**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 amounting to 21.9% of salary, it is noted that no Annual Bonus is paid in cash which is commendable. The ratio of CEO pay compared to average employee pay is acceptable at 12:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 95.0, Abstain: 0.8, Oppose/Withhold: 4.1,

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

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

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 in 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,

#### *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: 95.5, Abstain: 0.0, Oppose/Withhold: 4.5,

#### *19. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### **CIA HERING EGM - 29-04-2021**

#### *5. Approve Stock Option Plan and Share-Based Incentive Plan*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

#### *7. Approve Minutes of Meeting with Exclusion of Shareholder Names*

It is considered an element of transparency, that at least the name of significant shareholders be disclosed. As such, opposition to the exclusion of all shareholders name is recommended.

Vote Cast: *Oppose*

## LOJAS RENNER SA AGM - 29-04-2021

### *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*

### *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 Jose Gallo 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*

#### *7.2. Percentage of Votes to Be Assigned - Elect Osvaldo Burgos Schirmer as Independent 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*

#### *7.5. Percentage of Votes to Be Assigned - Elect Thomas Bier Herrmann as Independent 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*

### *8. 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.

Fiscal Council receive only fixed fees. 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. For Management, it is proposed to cap remuneration at BRL23.6 million. Variable remuneration for executives would correspond to up to 253% 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. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *10.2. Elect Roberto Frota Decourt as Fiscal Council Member and Vanderlei Dominguez da Rosa as Alternate*

It is proposed to appoint members of the Fiscal Council in a bundled election: Roberto Frota Decourt as standing member, Vanderlei Dominguez da Rosa 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. Roberto Frota Decourt 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*

### **VALID SOLUCOES S.A. EGM - 29-04-2021**

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

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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

*Vote Cast: Oppose*

#### *2. Approve Restricted and Bonus Matching Plan*

It is proposed a new incentive plan. Under the plan, the CEO and other executives will be awarded rights to receive shares in exchange for part of the reinvestment of their salary. The shares resulting from reinvestment will be matched by free shares awarded by the Company. While re-investment of the bonus in shares, or payment of part or all of the bonus in shares, are considered positive practice, share matching plans are viewed as a de facto discount for executives to buy company shares. They can eventually result in excessive payments versus performance. On this basis, opposition is recommended.

*Vote Cast: Oppose*

### **AMBEV SA COM AGM - 29-04-2021**

#### *3. Slate Election for Board of Statutory Auditors*

It is proposed to appoint members of the Fiscal Council in a bundled election. It is proposed as standing members: José Ronaldo Vilela Rezende and Elidie Palma Bifano; as alternate members: Emanuel Sotelino Schifferle and Eduardo Rogatto Luque. The candidates José Ronaldo Vilela Rezende, Elidie Palma Bifano and

Eduardo Rogatto Luque are not considered to be independent as considered to be connected with the Company's current auditor: PwC. 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*

*4. 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*

*6. Approve Maximum Remuneration*

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 million. Variable remuneration for executives would correspond to up to 436% 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*

## **SYNTHOMER PLC AGM - 29-04-2021**

*1. Accept Financial Statements and Statutory Reports*

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

*Vote Cast: Abstain*

*Results: For: 97.9, Abstain: 2.1, Oppose/Withhold: 0.0,*

*2. Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary is in line with the workforce. For the year under review CEO salary increase by 2,5%. The CEO salary is on the median of the competitors group.

**Balance:**Changes in the CEO's total remuneration over the past five years are not in line with changes in TSR during the same period. Total variable pay for the year under review amounting to 193.19%% of salary for the CEO (Annual Bonus: 150% & PSP: 43.19%). The ratio of CEO pay compared to average employee pay is unacceptable at 28:1. It is considered that this ratio should not exceed 20:1.

Rating:AD

Vote Cast: *Oppose*

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

#### 7. *Elect Dato Lee Hau Hian - Non-Executive Director*

Non-Executive Director. Not considered independent as he is a director of the major shareholder, Kuala Lumpur Kepong Berhad Group, in addition the director serves on the Board for more than nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 80.9, Abstain: 0.0, Oppose/Withhold: 19.1,

#### 8. *Elect Just J. C. Jansz - 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: 97.4, Abstain: 0.0, Oppose/Withhold: 2.6,

#### 13. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 31.22% of audit fees during the year under review and 46.74% 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 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: 97.3, Abstain: 0.0, Oppose/Withhold: 2.7,

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

Vote Cast: *Oppose*

Results: For: 94.7, Abstain: 0.0, Oppose/Withhold: 5.3,

#### 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: 97.3, Abstain: 0.1, Oppose/Withhold: 2.7,

### **CIA HERING AGM - 29-04-2021**

#### 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*

#### 6. *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*

#### 7. *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*

#### 8.6. *Cumulative Voting: Percentage of Votes to Be Assigned to Patrick Charles Morin Junior as Independent 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*



### 9. *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 23.4 million. Variable remuneration for executives would correspond to up to 292% 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*

### 12. *Approve Minutes of Meeting with Exclusion of Shareholder Names*

It is considered an element of transparency, that at least the name of significant shareholders be disclosed. As such, opposition to the exclusion of all shareholders name is recommended.

Vote Cast: *Oppose*

## HEXAGON AB AGM - 29-04-2021

### 10.1. *Elect Märta Schörling Andreen - Non-Executive Director*

Non-Executive Director. Not considered independent as she serves as a Director on the Board of Melker Schörling AB since 2010, the Company's largest shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.3, Oppose/Withhold: 1.9,

### 10.3. *Elect Sofia Schörling Högberg - Non-Executive Director*

Non-Executive Director. Not considered independent as she serves as a Director on the Board of Melker Schörling AB since 2006, the Company's largest shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 83.6, Abstain: 1.0, Oppose/Withhold: 15.5,

### 10.4. *Elect Ulrika Francke - 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: 99.8, Abstain: 0.1, Oppose/Withhold: 0.1,

### 10.7. *Elect Gun Nilsson - Chair (Non Executive)*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years. Additionally, she is considered to be connected with a significant shareholder: Melker Schörling AB. It is considered that the Chair of the Board should be independent, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 82.2, Abstain: 0.7, Oppose/Withhold: 17.1,

#### 10.9. *Elect Gun Nilsson - Chair (Non Executive)*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years. Additionally, she is considered to be connected with a significant shareholder: Melker Schörling AB. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 82.9, Abstain: 0.7, Oppose/Withhold: 16.4,

#### 12. *Approve the Remuneration Report*

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

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.1, Oppose/Withhold: 2.7,

#### 13. *Approve Performance Share Plan for Key Employees*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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

Vote Cast: *Oppose*

Results: For: 87.5, Abstain: 1.0, Oppose/Withhold: 11.5,

#### 14. *Authorize Share Repurchase Program and Reissuance of Repurchased 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*

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

### **EZ TEC EMPREENDIMENTOS AGM - 29-04-2021**

#### 5. *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*

*6. 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*

*7. 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*

*8.1. Cumulative Voting: Percentage of Votes to Be Assigned to Ernesto Zarzur as Board Chair*

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*

*8.2. Cumulative Voting: Percentage of Votes to Be Assigned to Samir Zakkhour El Tayar as Vice-Chair*

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*

*8.3. Cumulative Voting: Percentage of Votes to Be Assigned to Flavio Ernesto Zarzur 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*

*8.6. Cumulative Voting: Percentage of Votes to Be Assigned to Luiz Antonio dos Santos Pretti as Independent 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*

*8.7. Cumulative Voting: Percentage of Votes to Be Assigned to Mario Guy de Faria Mariz as Independent 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*

#### 8.8. *Cumulative Voting: Percentage of Votes to Be Assigned to Nelson de Sampaio Bastos as Independent 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*

#### 10. *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 million. Variable remuneration for executives would correspond to up to 89% 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*

### **DANONE AGM - 29-04-2021**

#### O.10. *Approve Compensation Report of Corporate Officers*

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

*Vote Cast: Oppose*

*Results: For: 97.5, Abstain: 0.7, Oppose/Withhold: 1.7,*

#### O.11. *Approve Compensation of Emmanuel Faber, Chairman and CEO*

It is proposed to approve the implementation of the remuneration of the Chair and CEO. 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: 96.9, Abstain: 0.8, Oppose/Withhold: 2.3,*

#### O.12. *Approve Remuneration Policy of Corporate Officers*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to

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

Vote Cast: *Oppose*

Results: For: 90.8, Abstain: 0.9, Oppose/Withhold: 8.3,

#### *O.15. 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: 97.0, Abstain: 0.7, Oppose/Withhold: 2.3,

#### *E.17. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights with Binding Priority Right up to Aggregate Nominal Amount of EUR 17 Million*

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

Vote Cast: *Oppose*

Results: For: 85.6, Abstain: 0.6, Oppose/Withhold: 13.7,

#### *E.18. Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Above*

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

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

Vote Cast: *Oppose*

Results: For: 86.2, Abstain: 0.6, Oppose/Withhold: 13.2,

#### *E.22. Authorize Capital Issuances for Use in Employee Stock Purchase Plans*

Authority for a capital increase for up to 0.07% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

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

#### *E.23. Authorize Capital Issuances for Use in Employee Stock Purchase Plans Reserved for Employees of International Subsidiaries*

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

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.6, Oppose/Withhold: 1.3,

*E.24. Authorize up to 0.2 Percent of Issued Capital for Use in Restricted Stock Plans*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted performance shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 0.7, Oppose/Withhold: 2.6,

*O.27. Approve Remuneration Policy of Executive Corporate Officers*

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

Vote Cast: *Oppose*

Results: For: 91.7, Abstain: 4.9, Oppose/Withhold: 3.5,

*O.28. Approve Remuneration Policy of Emmanuel Faber, Chair and CEO Until 14 March 2021*

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

Vote Cast: *Oppose*

Results: For: 96.6, Abstain: 1.0, Oppose/Withhold: 2.4,

**CIA SANEAMENTO BASICO ESTADO SAO PAULO AGM - 29-04-2021**

*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. Slate Election for Board of Fiscal Council*

It is proposed to appoint members of the Fiscal Council in a bundled election. In addition, the candidate Fabio Bernacchi Maia is not considered to be independent as Deputy Executive Secretary of the Council for the Defence of State Capitals, being connected with a significant shareholder: São Paulo state. 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*

### *4. 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*

### *5. 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 BRL 5.9 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*

## **GAM HOLDING AGM - 29-04-2021**

### *2.2. Approve Remuneration Report*

It is proposed to approve the the remuneration report for executives. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

*Vote Cast: Oppose*

### *5.1. Elect David J. Jacob - 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. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 90.00% of audit fees during the year under review and 109.30% 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*

### **LIVENT CORP AGM - 29-04-2021**

#### 1.a. *Elect Pierre Brondeau - Chair (Non Executive)*

Non-Executive Chair. Not considered independent as the director is the CEO and Chair of FMC Corporation, Livent's previous parent company which owns a significant amount of the companies stock. Opposition is recommended.

Vote Cast: *Oppose*

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

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

Vote Cast: *Abstain*

### **VALID SOLUCOES S.A. AGM - 29-04-2021**

#### 3. *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*

#### 4. *Approve Remuneration of Executive Directors*

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 15.9 million. Variable remuneration for executives



would correspond to up to 258% of the fixed pay, which is deemed excessive. The Company offers also pension contributions up to 22.3% of the total annual remuneration of Executives at the Company. Pension contributions of this weight are considered to be an excessive supplementary compensation unrelated to performance and as such they raise serious concerns over the Company's remuneration structure. 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*

*8. 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*

*9. 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*

*10.1. Percentage of Votes to Be Assigned - Elect Sidney Levy 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*

*10.3. Percentage of Votes to Be Assigned - Elect Henrique Bredda as Independent 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*

*11. Slate Election for Board of Fiscal Council*

It is proposed to appoint members of the Fiscal Council in a bundled election. In addition, the candidate William Cordeiro is not considered to be independent as founder of Alaska Asset Management, a significant shareholder of the Company. 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*

*12. 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*

## KERRY GROUP PLC AGM - 29-04-2021

### 1. *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*

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

### 4c. *Elect Gerard Culligan*

Non-Executive Director. This Director has an attendance record of less than 90% for both Board and Committee meetings which they were eligible to attend during the year. No justification has been provided. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.2, Oppose/Withhold: 1.8,

### 4j. *Elect Philip Toomey*

Chair (Non Executive), Chair of the Nomination Committee. Gender balance on the Board is under 30%, which is considered as best practice in this market. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members, and members of the Nomination Committee, 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*

Results: For: 82.3, Abstain: 0.4, Oppose/Withhold: 17.3,

### 7. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 1.1, Oppose/Withhold: 3.5,

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

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

Vote Cast: *Oppose*

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

### 11. *Authorise Market Purchase of A Ordinary Shares*

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

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.3, Oppose/Withhold: 1.0,

### 12. *Approve Long Term Incentive Plan*

The Board proposes the approval of a new equity-based incentive plan. Under the plan, participants will be allotted shares that will vest over a three-year period. Performance targets have been quantified at this time, which is above market practice. However, the potential total reward raises excessiveness concerns (together with other incentives) and the vesting period of three years is considered to be short term. In addition, there are concerns over some of the criteria, such as EPS that can be boosted artificially via share repurchase.

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

Vote Cast: *Oppose*

Results: For: 96.7, Abstain: 1.1, Oppose/Withhold: 2.1,

## **JAMES FISHER AND SONS PLC AGM - 29-04-2021**

### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 98.4, Abstain: 1.6, Oppose/Withhold: 0.0,

### 2. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 0.8, Oppose/Withhold: 2.4,

### 5. *Elect Eoghan O'Lionaird - Chief Executive*

Chief Executive. Acceptable service contract provisions. Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be

accountable for the Company's sustainability programme, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 97.6, Abstain: 1.6, Oppose/Withhold: 0.8,*

### *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 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 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: 98.3, Abstain: 0.0, Oppose/Withhold: 1.6,*

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

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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

*Vote Cast: Oppose*

*Results: For: 96.8, Abstain: 0.0, Oppose/Withhold: 3.2,*

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

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

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.0, Oppose/Withhold: 2.1,

#### 17. *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: 98.1, Abstain: 0.0, Oppose/Withhold: 1.8,

### **MILLS ESTRUTURAS E SERVICOS AGM - 29-04-2021**

#### 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*

#### 2. *Elect Marise Barroso - Non-Executive Director*

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

Vote Cast: *Abstain*

#### 3. *In Case Cumulative Voting Is Adopted, Do You Wish to Equally Distribute Your Votes Amongst the Nominees below?*

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*

#### 4. *Cumulative Voting: Percentage of Votes to Be Assigned to Marise Ribeiro Barroso*

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. 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*

### *7. Approve Maximum Remuneration*

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 13.9 million. Variable remuneration for executives would correspond to up to 108% 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*

## **THE WEIR GROUP PLC AGM - 29-04-2021**

### *3. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. The Company has disclosed quantified targets for performance criteria for the entirety of its variable remuneration component. Nevertheless, opposition is recommended based on excessiveness concerns.

*Vote Cast: Oppose*

*Results: For: 96.1, Abstain: 0.0, Oppose/Withhold: 3.9,*

### *15. Appoint PwC as Company Auditor*

PwC proposed.

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

### 18. *Authorise Issue of Equity without Pre-emptive Rights*

The authority sought is limited to 10% of the Company's issued share capital and expires at the next AGM. This exceeds the recommended 5% maximum. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 92.2, Abstain: 0.1, Oppose/Withhold: 7.7,

### 19. *Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment*

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

Vote Cast: *Oppose*

Results: For: 88.5, Abstain: 0.0, Oppose/Withhold: 11.5,

### 20. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

## ASIAN PAY TELEVISION TRUST AGM - 29-04-2021

### 3. *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*

## EOG RESOURCES INC AGM - 29-04-2021

### 1b. *Elect Charles R. Crisp - Non-Executive Director*

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

noted the director is a member of the audit committee and compensation committees which should comprise wholly of independent directors. 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*

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

#### 1d. *Elect James C. Day - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although, there is sufficient independent representation on the Board, it is noted the director is a member of the audit committee and chairs the compensation committee which should comprise wholly of independent directors. Oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 94.3, Abstain: 0.2, Oppose/Withhold: 5.5,

#### 1g. *Elect Julie J. Robertson - Non-Executive Director*

Independent Non-Executive Director. Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 75.1, Abstain: 2.5, Oppose/Withhold: 22.4,

#### 1h. *Elect Donald F. Textor - Presiding Director*

Presiding Director. Not considered independent owing to a tenure of over nine years. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the Board.

Vote Cast: *Oppose*

Results: For: 92.1, Abstain: 0.2, Oppose/Withhold: 7.7,

#### 1i. *Elect William R. Thomas - 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: 96.2, Abstain: 0.2, Oppose/Withhold: 3.6,

#### 2. *Appoint Deloitte & Touche LLP as Auditors*

Deloitte proposed. Non-audit fees represented 0.08% of audit fees during the year under review and 0.08% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 99.4, Abstain: 0.0, Oppose/Withhold: 0.6,

#### 3. *Approve EOG Resources Omnibus Plan*

The board is seeking stockholder approval of the Omnibus Equity Compensation Plan. It is noted 1,996,101 shares remain available from the common stock as of



December 31, 2020. The company states that number will be further reduced by a maximum of 35,000 shares as a result of promotion and monthly new-hire awards made subsequent to December 31, 2020. The Plan is presented as an omnibus plan, which means that it is bundled within the same official plan and there are various incentive plan elements aimed at rewarding different groups of employees, officers and executives. However, it is noted that the Compensation Committee retains the power to select employees to receive awards and determine the terms and conditions of awards (and also note that 'management employees' appear most likely to be the principal beneficiaries of the Plan). On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.5, Abstain: 0.0, Oppose/Withhold: 2.4,

#### 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: BDC. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.4, Abstain: 0.1, Oppose/Withhold: 3.5,

### **THE GOLDMAN SACHS GROUP INC. AGM - 29-04-2021**

#### 1a. *Elect M. Michele Burns - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is the Chair of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

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

#### 1d. *Elect Ellen J. Kullman - 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: 98.3, Abstain: 0.2, Oppose/Withhold: 1.5,

#### 1e. *Elect Lakshmi N. Mittal - Non-Executive Director*

Non-Executive Director. Not considered independent as Mr. Mittal is the Chairman and CEO of ArcelorMittal S.A. and beneficially owns (directly and indirectly) approximately 37% of the outstanding common shares of ArcelorMittal. Goldman Sachs currently participates in two existing credit facilities for ArcelorMittal. In addition, the director has served on the board for over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 89.4, Abstain: 0.1, Oppose/Withhold: 10.5,

#### 1h. *Elect David M. Solomon - 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. Additionally, owing to the settlement regarding the subsidiary charged with bribery and corruption, it is considered that there have been serious operational and supervisory oversights. For these reasons, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.8, Abstain: 0.2, Oppose/Withhold: 6.0,

#### 1i. *Elect Mark O. Winkelman - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member 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: 98.2, Abstain: 0.1, Oppose/Withhold: 1.7,

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

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. It is also noted that this proposal registered a significant proportion of oppose vote of 25.28% at the 2020 AGM. 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: DEA. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 90.0, Abstain: 4.1, Oppose/Withhold: 5.9,

#### 3. *Amend Existing Omnibus Plan*

It is proposed to amend the [insert name of the plan]. [Detail any and all amendments to the scheme].

There are concerns with the Plan as the it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, maximum award limits are excessive. As a result, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 61.3, Abstain: 0.1, Oppose/Withhold: 38.6,

#### 4. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 2.16% of audit fees during the year under review and 3.31% 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*

Results: For: 95.3, Abstain: 0.1, Oppose/Withhold: 4.6,

## ACCOR HOTELS GROUP AGM - 29-04-2021

### *O.4. Approve Compensation of Corporate Officers*

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

*Vote Cast: Oppose*

### *O.5. Approve Compensation of Sebastien Bazin, Chairman and CEO*

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

*Vote Cast: Oppose*

### *O.6. Approve Remuneration Policy of Chairman and CEO*

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

*Vote Cast: Oppose*

### *O.9. Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

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*

### *E.12. Authorize Issuance of Equity or Equity-Linked Securities with Preemptive Rights up to Aggregate Nominal Amount of 10 Percent of Issued Capital*

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

*Vote Cast: Oppose*

*E.13. Approve Issuance of Equity or Equity-Linked Securities for up to 10 Percent of Issued Capital Per Year Reserved for Specific Beneficiaries*

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

*Vote Cast: Oppose*

*E.14. Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Above*

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

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

*Vote Cast: Oppose*

*E.18. Approve Issue of Shares for Employee Saving Plan*

Authority for a capital increase for up to 2% of share capital for employees participating to saving plans. The maximum discount applied has not been disclosed, opposition is therefore recommended.

*Vote Cast: Oppose*

*O.21. Authorize Board to Issue Free Warrants with Preemptive Rights During a Public Tender Offer*

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

*Vote Cast: Oppose*

**RCS MEDIAGROUP AGM - 29-04-2021**

*O.2.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. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

*O.2.b. Approve the Remuneration Report*

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

*Vote Cast: Oppose*

*O.3.c. Approve Remuneration of Board of Statutory Auditors*

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*

*E.1. Adopt Double Voting Rights for Long-Term Registered Shareholders*

It is proposed to create a new class of shares with multiple voting rights. It is considered that companies should abide by the one-share, one-vote principle, which is deemed to be best practice. Opposition is recommended.

*Vote Cast: Oppose*

**AXA AGM - 29-04-2021**

*O.1. Approve Financial Statements and Statutory Reports*

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*

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

*O.2. Approve Consolidated Financial Statements and Statutory Reports*

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*

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

#### *O.4. Approve Compensation Report of Corporate Officers*

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

Vote Cast: *Oppose*

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

#### *O.6. Approve Compensation of Thomas Buberl, CEO*

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

Vote Cast: *Oppose*

Results: For: 74.0, Abstain: 1.6, Oppose/Withhold: 24.4,

#### *O.7. Approve Amendment of Remuneration Policy of CEO*

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

Vote Cast: *Oppose*

Results: For: 92.2, Abstain: 0.0, Oppose/Withhold: 7.7,

#### *O.8. Approve Remuneration Policy of CEO*

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

Vote Cast: *Oppose*

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

#### *O.12. Elect Ramon De Oliveira - Non-Executive Director*

Non-Executive Director. Not considered to be independent owing to a tenure of more than nine years. There is insufficient independence on the Board. However, there are concerns over the director's potential aggregate time commitments. As abstention is not a valid voting option for this item, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 90.7, Abstain: 0.4, Oppose/Withhold: 8.9,

*O.15. 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: 98.4, Abstain: 0.1, Oppose/Withhold: 1.5,

*E.18. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 550 Million*

Authority is sought to issue shares without pre-emptive rights. Regardless of the corresponding dilution, it can be used in time of public offer, which is considered to be an anti-takeover device. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.9, Abstain: 0.0, Oppose/Withhold: 7.0,

*E.19. Approve Issuance of Equity or Equity-Linked Securities for Private Placements, up to Aggregate Nominal Amount of EUR 550 Million*

The Board requests authority to approve an authority for the issue of shares by private placement. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

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

*E.20. Authorize Board to Set Issue Price for 10 Percent Per Year of Issued Capital Pursuant to Issue Authority without Preemptive Rights*

Authority is sought to set issue price related to the issue authority without pre-emptive rights. Regardless of the corresponding dilution, it can be used in time of public offer, which is considered to be an anti-takeover device. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.6, Abstain: 0.0, Oppose/Withhold: 5.4,

*E.23. Authorize Issuance of Equity Upon Conversion of a Subsidiary's Equity-Linked Securities without Preemptive Rights for Up to EUR 550 Million*

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

Vote Cast: *Oppose*

Results: For: 95.7, Abstain: 0.0, Oppose/Withhold: 4.3,

*E.25. Authorize Capital Issuances for Use in Employee Stock Purchase Plans*

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

Vote Cast: *Oppose*

Results: For: 97.3, Abstain: 0.0, Oppose/Withhold: 2.6,

#### *E.26. Authorize Capital Issuances for Use in Employee Stock Purchase Plans Reserved for Employees of International Subsidiaries*

Authority for a capital increase for more than 2% of the share capital for employees participating to saving plans for employees of group's subsidiaries. The cap applies to both resolutions 18 and 19. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the amount of the authorisation and the discount exceed guidelines. Opposition is therefore recommended.

Vote Cast: *Oppose*

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

### **PROMOTORA Y OPERADORA DE INFRAESTRUCTURA AGM - 29-04-2021**

#### *1.A. Approve Board of Directors Report Pursuant to Article 28 Fraction IV of Mexican Securities Market Law*

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*

#### *1.B. Approve Board's Report on Policies and Accounting Criteria Followed in Preparation of Financial Information*

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*

#### *1.C. Approve Individual and Consolidated 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*

#### *1.D. Approve Report on Adherence to Fiscal Obligations*

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*

#### *1.E. Approve 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.A. Approve Discharge of Board and CEO*

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.B. Elect Board: Slate Election**

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.C. 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*

**3.A. Set Maximum Amount of Share Repurchase Reserve**

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.B. Approve Report on Share Repurchase Reserve**

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 Ratify and Execute Approved Resolutions**

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*

**SCHRODERS PLC AGM - 29-04-2021**

**3. Approve the Remuneration Report**

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The CEO's salary is in line with the rest of the Company, as the CEO did not get a salary increase while the salaries for UK employees increased by 4%. The CEO's salary is in the median of the Company's comparator group.

**Balance:**The balance of CEO realized pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. Total variable pay is excessive, as annual bonus awards (1085.6.0%) and LTIP (59%) amounted to 1144.6% of salary. Such a high level of variable pay is inappropriate, especially given that the recommended limit for variable pay is 200% of pay. The ratio of CEO pay compared to average employee pay is approximately 38:1 which is considered unacceptable.

Rating: AD

Vote Cast: *Oppose*

Results: For: 96.3, Abstain: 2.1, Oppose/Withhold: 1.6,

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

Chair. The Chair is not considered to be independent owing to a tenure of over nine years on the Board. In addition, it is a generally accepted norm of good practice that a Chair of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Being a non-independent Chair is considered to be incompatible with this. Oppose vote is therefore recommended.

Vote Cast: *Oppose*

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

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

EY proposed. Non-audit fees represented 11.90% of audit fees during the year under review and 14.05% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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 in 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: 0.3,

#### 19. *Authorize Market Purchase of Non-Voting Ordinary Shares*

The authority is limited to 1.76% of the Company's total issued share capital and 8.84% of its issued non-voting ordinary share capital. The authority 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,

### CONTINENTAL AG AGM - 29-04-2021

#### 4.1. *Approve Discharge of Supervisory Board Member Wolfgang Reitzle for Fiscal Year 2020*

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 Mr. Wolfgang Reitzle is up for election at this meeting as Chair, being accountable for the Company's sustainability programme, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 92.0, Abstain: 0.0, Oppose/Withhold: 8.0,

## **ALSEA SA DE CV AGM - 29-04-2021**

### *III. Elect or Ratify Directors, Key Management and Members of Board 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*

### *V. Authorise Share Repurchase*

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*

### *VI. Authorize Company to Carry out All Actions to Renegotiate Terms and Conditions under Which Liabilities and or Financial Operations are Agreed*

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*

## **AZUL SA CLASS - 29-04-2021**

### *1. Approve Maximum Remuneration*

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 41.3 million. Variable remuneration for executives would correspond to up to 480% 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*

#### **KINNEVIK AB AGM - 29-04-2021**

##### *10. Approve the Remuneration Report*

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

Vote Cast: *Oppose*

##### *17.d. Approve Reduction of Share Capital through Redemption of 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*

##### *19. Transfer of Own Shares on Account of the Share Program (Previously Approved)*

The Board requests authority to approve an authority for the issue of shares by private placement. 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*

##### *20.b. Approve (Alternative) Equity Plan Financing*

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*

##### *20.c. Approve Equity Plan Financing Through Repurchase of Class X 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*

## FLUTTER ENTERTAINMENT PLC AGM - 29-04-2021

### 2. Approve the Remuneration Report

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary is not in line with the workforce since the CEO salary increased by 21.6% for the year under review where the workforce salary increase by 10.8%. The CEO salary is on the median of the competitor group.

**Balance:**Changes in CEO in the last five years are not considered in line with changes in TSR during the same period. During the last five years CEO increase was 64.89% were the TSR increase was at 18.40% The CEO's variable pay for the year under review is 778.9% of base salary ( Annual Bonus: 280% , LTIP: 441.9% & Other: 57%) which is considered excessive. The ratio of CEO pay compared to average employee pay is not considered appropriate at 65:1. PIRC consider acceptable a ratio of 20:1.

Rating: AE

Vote Cast: *Oppose*

Results: For: 84.3, Abstain: 0.3, Oppose/Withhold: 15.4,

### 3.A. Re-elect Zillah Byng-Thorne - Non-Executive Director

Independent Non-Executive Director. However, the director received significant opposition in the 2020 Annual General Meeting of 18.19% of the votes and the company did not disclose how it address the issue with its shareholders. Based on this lack of information, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 81.4, Abstain: 0.3, Oppose/Withhold: 18.3,

### 3.B. Re-elect Michael Cawley - Non-Executive Director

Independent Non-Executive Director. However, the director received significant opposition in the 2020 Annual General Meeting of 12.28% of the votes and the company did not disclose how it address the issue with its shareholders. Based on this lack of information, abstention is recommended.

Vote Cast: *Abstain*

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

### 7.B. 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: 0.3, Oppose/Withhold: 4.9,

### 8. Authorise Share Repurchase

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

Results: For: 99.0, Abstain: 0.1, Oppose/Withhold: 0.8,

## OVERSEA CHINESE BANKING AGM - 29-04-2021

### *2.B. Elect Pramukti Surjaudaja*

Non-Executive Director. Not considered to be independent as his sister serves as Chief executive Officer of PT Bank OCBC NISP Tbk, a subsidiary of the Bank, and he is President Commissioner of the bank. In addition, he has been on the Board for more than nine years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *5.B. Approve Fees Payable to the Board of Directors*

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*

### *10. Authorize Share Repurchase Program*

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*

### *9. Authorise the Scrip Dividend*

Payment in shares is mandatory for shareholders: The Board requests authority to approve a capital increase against voluntary reserves to issue bonus shares, which will be distributed to shareholders instead of cash, as dividend. As shareholders would not be entitled to choose to receive an equivalent cash dividend, opposition is recommended.

*Vote Cast: Oppose*

### *11. Approve OCBC Deferred Share Plan 2021*

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*

## CHINA MOBILE LTD AGM - 29-04-2021

### 3.1. *Elect Yang Jie - 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*

### 6. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

### 7. *Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

### 8. *Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

Vote Cast: *Oppose*

## ASML HOLDING NV AGM - 29-04-2021

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

It is proposed to approve the implementation of the remuneration report. 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: 83.9, Abstain: 1.4, Oppose/Withhold: 14.7,

### 3.B. *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*

*Results: For: 99.3, Abstain: 0.6, Oppose/Withhold: 0.1,*

#### *4.A. Approve Discharge of Management 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. 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, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*Results: For: 97.8, Abstain: 0.9, Oppose/Withhold: 1.3,*

#### *4.B. Approve Discharge of Supervisory 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. 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, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*Results: For: 97.9, Abstain: 0.8, Oppose/Withhold: 1.3,*

#### *6. Approve Certain Adjustments to the Remuneration Policy for Management Board*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

*Vote Cast: Oppose*

*Results: For: 93.6, Abstain: 0.3, Oppose/Withhold: 6.1,*

#### *10. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 0.43% of audit fees during the year under review and 0.59% 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: 99.8, Abstain: 0.1, Oppose/Withhold: 0.1,*

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

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

*Vote Cast: Oppose*

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



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

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

Vote Cast: *Oppose*

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

#### 11.D. *Authorise the Board to Waive Pre-emptive Rights in connection with item 11.C*

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

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.1, Oppose/Withhold: 1.6,

#### 12.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*

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

#### 12.B. *Authorise additional 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: 96.3, Abstain: 0.3, Oppose/Withhold: 3.4,

### **PHAROL SGPS SA AGM - 30-04-2021**

#### 5. *Approve Financial Statements*

This company is considered to be in a high-risk sector, with regards to exposure of staff to COVID-19. As such, it is expected that full disclosure of causes of fatalities be provided, particularly where related to cases of COVID-19 among staff. Adequate measurement of such cases is considered to be material for the financial resilience of the company in the long term. Due to lack of disclosure, opposition is recommended.

Vote Cast: *Oppose*

#### 6. *Receive the Management Report*

This company is considered to be in a high-risk sector, with regards to exposure of staff to COVID-19. As such, it is expected that full disclosure of causes of fatalities be

provided, particularly where related to cases of COVID-19 among staff. Adequate measurement of such cases is considered to be material for the financial resilience of the company in the long term. Due to lack of disclosure, opposition is recommended.

*Vote Cast: Oppose*

#### *8. 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*

#### *9. Elect Board: Slate Election*

Proposal to elect 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*

#### *10. Appoint the Auditors: BDO*

BDO 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*

#### *11. 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*

#### *12. 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*

## *2. Amend Articles 13 - Alternative B*

Proposed by Telemar Norte Leste, S.A.. The shareholder seeks to amend articles of association to abolish the quantitative limitations on counting of votes, amending article 13 and articles related to the said limitations (shielding) - alternative B, maintain the limitation of voting rights. Additionally, wording of articles 12, 14 and 15, concerning the maintenance of article 13 (limitation of voting rights). Support can be recommended only for one of the two alternatives presented on the agenda. As a matter of best governance practice, it is considered that voting rights should abide by the "one share, one vote" principle.

*Vote Cast: Oppose*

## **ORGANIZACION CULTIBA SAB CV AGM - 30-04-2021**

### *I. 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*

### *II. Approve the Dividend*

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*

### *III. Elect Board: Slate Election*

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*

### *IV. 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*

### *V. Authorise Share Repurchase*

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*

## PEARSON PLC AGM - 30-04-2021

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

PwC proposed. No non-audit fees were paid for the year under review. This approach is recommended. 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 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: 96.5, Abstain: 0.0, Oppose/Withhold: 3.4,

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

It is noted this resolution registered a significant number of oppose votes of 16.12% at the 2020 AGM which has not been adequately addressed. An additional authority limited to one third of the Company's issued share capital is being sought at this AGM. 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. On the basis of a significant level of opposition at the last AGM, an oppose vote is recommended.

Vote Cast: *Oppose*

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

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

It is noted this resolution registered a significant number of oppose votes of 14.6% at the 2020 AGM which has not been adequately addressed. 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: 87.2, Abstain: 0.0, Oppose/Withhold: 12.8,

### *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: 98.7, Abstain: 0.0, Oppose/Withhold: 1.3,

## ROTORK PLC AGM - 30-04-2021

### 3. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed.CEO salary increase by 2.5% and is in line with the workforce which has a salary increase of 2.6%. The CEO's salary is in the of a peer comparator group.

**Balance:**Changes in CEO in the last five years are not considered in line with changes in TSR during the same period. During the last five years CEO increase was 39.5% were the TSR increase was at 15.5% The CEO's variable pay for the year under review is approximately 229.4% of base salary, which is considered excessive. The ratio of CEO pay compared to average employee pay is not considered appropriate at 31:1.

Rating: AD

Vote Cast: *Oppose*

Results: For: 92.3, Abstain: 0.9, Oppose/Withhold: 6.8,

### 9. *Elect Martin Lamb - Chair (Non Executive)*

Independent Non-Executive Chair and chair of the nomination committee.

At this time, the company has not reported its progresses made on the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards. As chair of the nomination committee, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.8, Abstain: 0.3, Oppose/Withhold: 6.9,

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

Deloitte proposed. Non-audit fees represented 4.57% of audit fees during the year under review and 4.58% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 99.4, Abstain: 0.5, Oppose/Withhold: 0.0,

### 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: 97.3, Abstain: 0.0, Oppose/Withhold: 2.7,

### 16. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.1, Oppose/Withhold: 0.7,

## **OI S.A. AGM - 30-04-2021**

### 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). *Approve Maximum Remuneration*

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.

Fiscal Council receive only fixed fees. 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. For Management, it is proposed to cap remuneration at BRL 77.7 million. Variable remuneration for executives would correspond to up to 622% of the fixed pay, which is deemed excessive. The Company offers also pension contributions up to 37.9% of the total annual remuneration of Executives at the Company. Pension contributions of this weight are considered to be an excessive supplementary compensation unrelated to performance and as such they raise serious concerns over the Company's remuneration structure. 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. On this basis, opposition is recommended.

Vote Cast: *Oppose*

### A5). *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*

*A6). 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*

*A7). In Case Cumulative Voting Is Adopted, Do You Wish to Equally Distribute Your Votes for remaining members of the slate you have chosen?*

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*

*A9). Approve New Executive Share Option Plan*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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

*Vote Cast: Oppose*

**SANOFI AGM - 30-04-2021**

*O.1. Approve Financial Statements and Statutory Reports*

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*

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

*O.2. Approve Consolidated Financial Statements and Statutory Reports*

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*

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

#### *O.8. Approve Compensation Report of Corporate Officers*

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

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.1, Oppose/Withhold: 1.6,

#### *O.10. Approve Compensation of Paul Hudson, CEO*

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

Vote Cast: *Oppose*

Results: For: 92.1, Abstain: 0.6, Oppose/Withhold: 7.3,

#### *O.13. Approve Remuneration Policy of CEO*

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

Vote Cast: *Oppose*

Results: For: 92.3, Abstain: 0.6, Oppose/Withhold: 7.1,

#### *O.14. Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

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: 98.1, Abstain: 0.1, Oppose/Withhold: 1.8,

#### *E.17. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 240 Million*

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

Vote Cast: *Oppose*

Results: For: 92.7, Abstain: 0.0, Oppose/Withhold: 7.3,

#### *E.18. Approve Issuance of Equity or Equity-Linked Securities for Private Placements, up to Aggregate Nominal Amount of EUR 240 Million*

The Board requests authority to approve an authority for the issue of shares by private placement. This authority is not requested in connection with a particular



operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 90.7, Abstain: 0.0, Oppose/Withhold: 9.3,

*E.19. Approve Issuance of Debt Securities Giving Access to New Shares of Subsidiaries and/or Debt Securities, up to Aggregate Amount of EUR 7 Billion*

The board seeks authority to issue convertible bonds 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*

Results: For: 95.8, Abstain: 0.1, Oppose/Withhold: 4.1,

*E.20. Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Above*

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

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

Vote Cast: *Oppose*

Results: For: 90.1, Abstain: 0.1, Oppose/Withhold: 9.9,

*E.23. Authorize Capital Issuances for Use in Employee Stock Purchase Plans*

Authority for a capital increase for up to 1% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 96.7, Abstain: 0.0, Oppose/Withhold: 3.3,

*E.24. Authorize Issued Capital for Use in Restricted Stock Plans*

The Board requests authority to approve an authority for the issue of shares by private placement. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 93.8, Abstain: 0.5, Oppose/Withhold: 5.6,

**LEE & MAN PAPER MFG LTD AGM - 30-04-2021**

*3. Elect Poon Chung Kwong*

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

*Vote Cast: Oppose*

*4. Elect Wong Kai Tung Tony - Non-Executive Director*

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

*Vote Cast: Oppose*

*8. Authorise the Board to Fix Directors' Remuneration*

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*

*10. Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

*11. Authorize Repurchase of Issued Share Capital*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

*12. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

**PAN-UNITED CORP LTD AGM - 30-04-2021**

*3. Elect Jane Kimberly Ng Bee Kiok*

Non-Executive Director. Not considered independent as the director has close family ties with the Company. Ms Jane Kimberly Ng Bee Kiok is the sister of: Mr Ng Han Whatt (substantial shareholder), Ms Ng Bee Bee (Chief Executive Officer and substantial shareholder) and Mr Patrick Ng Bee Soon (Deputy Chairman). Moreover, she is not considered independent as she is also a substantial shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### 4. *Elect Tay Siew Choon*

Chair (Non Executive) and member of the Audit Committee. Not considered independent owing to a tenure of over nine years. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*

#### 5. *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*

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

EY proposed. Non-audit fees were not paid during the year under review and represented 8.35% 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*

#### 7. *Classify Director Tay Siew Choon as Independent Tier 1*

According to rule 210(5)(d)(iii) of the listing manual in Singapore, independence of directors with tenure of more than nine years and who are seeking re-election as independent directors must be reconfirmed on two separate votes: one for all shareholder (A) and one for all shareholders except CEO, Directors among other ones (B). This resolution refers to rule 210(5)(d)(iii)(A).

It is welcomed that shareholders are given the possibility to confirm independence of directors. However, this item aims to confirm the independence of this director, who is not considered to be independent due to a tenure of more than nine years. As such, and regardless of the overall independent representation on the board, opposition is recommended.

Vote Cast: *Oppose*

#### 8. *Classify Director Tay Siew Choon as Independent Tier 2*

According to rule 210(5)(d)(iii) of the listing manual in Singapore, independence of directors with tenure of more than nine years and who are seeking re-election as independent directors must be reconfirmed on two separate votes: one for all shareholder (A) and one for all shareholders except CEO, Directors among other ones (B). This resolution refers to rule 210(5)(d)(iii)(B).

It is welcomed that shareholders are given the possibility to confirm independence of directors. However, this item aims to confirm the independence of this director, who is not considered to be independent due to a tenure of more than nine years. As such, and regardless of the overall independent representation on the board, opposition is recommended.

*Vote Cast: Oppose*

#### *10. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

### **CIR AGM - 30-04-2021**

#### *O.3. 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*

#### *O.4.A. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not 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*

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

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

#### *O.5. Approve Stock Grant Plan 2021*

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*

### **ARGOS RESOURCES LTD EGM - 30-04-2021**

#### *2. 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*

### **STARHUB LTD EGM - 30-04-2021**

#### *1. 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*

#### *2. Approve Renewal of Mandate for Interested Person Transactions*

Approval is sought for the Interested Person Transaction (IPT Mandate) to facilitate transactions in the normal course of business among the Company, its subsidiaries or affiliate companies, directors, chief executive officer(s), controlling shareholders of the Company and their respective associates and relatives.

Whilst it is stated that procedures are in place to ensure the transactions are conducted at arm's length basis. Although there is insufficient independence on the Board to provide objective oversight of the proposal, such general authorities are not supported, as they do not allow thorough assessment of proposals from shareholders. Specific details relating to specific transactions have been provided to shareholders for thorough assessment. Overall, opposition is recommended.

*Vote Cast: Oppose*

### **CITY DEVELOPMENTS LTD AGM - 30-04-2021**

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

KPMG proposed. Non-audit fees represented 50.00% of audit fees during the year under review and 51.63% 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.

Vote Cast: *Oppose*

*7. Approve Issuance of Equity or Equity-Linked Securities with or without Preemptive Rights*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

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*

*9. Approve Mandate for Interested Person Transactions*

It is proposed to approve the Interested Person Transaction (IPT Mandate) to transact or continue to transact with the Interested Persons. 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*

**SONAE SGPS SA AGM - 30-04-2021**

*3. Appraise Management and Supervision of Company and Approve Vote of Confidence to Corporate Bodies*

Following the fine applied in December 2020 by the Portuguese Competition Authority for fixing prices of alcoholic beverages, between 2008 and 2017, abstention is recommended on the discharge of corporate bodies, as a result of lack of supervision and inaction.

Vote Cast: *Abstain*

*5. 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*

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

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

Vote Cast: *Oppose*

### *8. Approve Capital Raising: Issuance of Convertible Bonds*

As a consequence of the transaction proposed on this agenda, it is proposed to increase the share capital by 10% for 18 months and amend the articles accordingly. Given that opposition was recommended on the corresponding transaction, opposition is maintained on this item as well.

Vote Cast: *Oppose*

### *9. 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*

### *11. Authorize Company Subsidiaries to Purchase Shares in Parent*

Proposed authorization that companies controlled by the Company can purchase up to 10% of the Company's share capital over the next 18 months, under the terms of number 2 of Article 325-B of the Company Law.

Cross ownership has some positive features, however it is considered that it would stagnate the use of capital by preventing reallocation. As a result, the Company may be less able to respond to downturns in the short term. Cross share ownership can also serve to entrench underperforming management and can lead to potential conflicts of interest. Oppositions is recommended.

Vote Cast: *Oppose*

## **BBGI GLOBAL INFRASTRUCTURE S.A. AGM - 30-04-2021**

### *7. Elect Howard Myles - Senior Independent Director*

Senior Independent Director. Not considered independent owing to a tenure of more than nine years. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the Board.

Vote Cast: *Oppose*

Results: For: 92.6, Abstain: 1.3, Oppose/Withhold: 6.1,

### *9. Appoint the KPMG as Company Auditor*

KMPG proposed. No non-audit fees were paid for the year under review. 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: 97.8, Abstain: 0.0, Oppose/Withhold: 2.2,*

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

It is proposed to increase the LTIP so that the upper limit is 200% of the base salary. Combined with the short term incentive, this would raise potential variable remuneration to 350% of base salary, which is considered excessive. Oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 77.4, Abstain: 2.3, Oppose/Withhold: 20.3,*

#### *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: 99.9, Abstain: 0.0, Oppose/Withhold: 0.1,*

### **CREDIT SUISSE GROUP AGM - 30-04-2021**

#### *1.1. Approve the Remuneration Report*

On 6 April 2021, the Board of Directors has updated the Compensation Report following its decision to withdraw its proposals regarding the variable compensation for the Executive Board, comprising the short-term incentive compensation (STI), which was based on 2020 performance and the 2021 long-term incentive opportunities (LTI), for which payout would have been determined based on prospective performance over the three-year period 2021–2023. In addition, the Chair of the Board has proposed to waive his Chair fee of CHF 1.5 million, which would have been awarded to him at the end of the 2020 AGM to 2021 AGM period.

The decision to waive any variable compensation as well as the chair's fee is welcomed. Nevertheless, it is considered that all of the board, and in particular some of the



committees (Risk, Conduct and Financial Crime Control) have demonstrated poor supervision. From the remuneration report, it appears that only the chair (however resigning at the AGM for planned rotation) has waived his compensation. It is considered inappropriate that the compensation of the whole board is not reduced as a result of the lack of supervision and inaction. Due to the lack of a more comprehensive discussion on the remuneration of the board and executive committee beyond a one-off waiving of variable remuneration, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 82.4, Abstain: 1.3, Oppose/Withhold: 16.3,

### 1.2. *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. In addition, While the losses suffered by by the company due to the collapses of Greensill Capital and then Archegos Capital Management technically pertain to the 1Q21 Results, while the Financial Statements relate to the Financial Year 2020 (and there has been no restatement to the FY20 results) it is considered impossible, at this time, to know that the financial statements reflect accurately the potential impact from them.

Vote Cast: *Abstain*

Results: For: 96.7, Abstain: 1.3, Oppose/Withhold: 2.0,

### 3. *Approve the Dividend*

The Board proposes a dividend of CHF 0.10 per share. This is a reduction from the initial proposal of CHF 0.29 per share. The dividend is covered by retained earnings and capital contribution reserves. However, given the serious losses suffered by the company, and while still under internal and external investigation, it is considered appropriate that all earnings be carried forward and constitute reserve for future, potential claims or consequences from recent collapses of Greensill Capital and Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 92.3, Abstain: 3.7, Oppose/Withhold: 4.0,

### 4. *Approve Creation of CHF 5 Million Pool of Capital without Preemptive Rights*

Authority is sought to issue shares without pre-emptive rights to an amount of more than 10% of the share capital, which is deemed excessive. In addition, it is considered that the explanation proposed by the board ((a) to acquire companies, stakes in companies, or other participations in the banking, financial, asset management, or insurance area through an exchange of shares or (b) to finance or refinance such transactions or new investment projects) do not take into account that this dilution of shareholdings will occur at a time where shareholders have already been hit, due to the collapses of Greensill Capital and then Archegos Capital Management. Opposition is recommended.

Vote Cast: *Oppose*

### 5.1.c. *Elect Christian Gellerstad - Non-Executive Director*

Independent Non-Executive Director, chair of the Conduct and Financial Crime Control Committee. Due to his role as chair of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 91.0, Abstain: 0.6, Oppose/Withhold: 8.4,

#### 5.1.d. *Elect Andreas Gottschling - Non-Executive Director*

Independent Non-Executive Director, Chair of the Risk Committee. Due to his role as chair of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

#### 5.1.e. *Elect Michael Klein - Non-Executive Director*

Independent Non-Executive Director, member of the Risk Committee. Due to his role as member of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 87.1, Abstain: 0.7, Oppose/Withhold: 12.2,

#### 5.1.f. *Elect Shan Li - Non-Executive Director*

Independent Non-Executive Director, member of the Risk Committee. Due to his role as member of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 87.6, Abstain: 0.7, Oppose/Withhold: 11.7,

#### 5.1.g. *Elect Seraina Maag Macia - Non-Executive Director*

Independent Non-Executive Director, member of the Risk Committee. Due to her role as member of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 87.5, Abstain: 0.7, Oppose/Withhold: 11.8,

#### 5.1.h. *Elect Richard Meddings*

Non-Executive Director, Chair of the Audit Committee. Not considered independent as the director was previously employed by the Company as a Chief Operations Officer of a subsidiary company. It is considered that audit committees should be comprised exclusively of independent members, including the chair. In addition, due to his role as chair of this committee and member of the Conduct and Financial Crime Control Committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 85.4, Abstain: 0.7, Oppose/Withhold: 13.9,

#### 5.1.i. *Elect Kai S. Nargolwala - Non-Executive Director*

Non-Executive Director, member of the Conduct and Financial Crime Control Committee, not considered to be independent as he was a member of the Credit Suisse Executive Board and CEO of the Asia-Pacific region from 2008 to 2010. Due to his role as member of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 86.1, Abstain: 0.6, Oppose/Withhold: 13.3,

#### 5.1.j. *Elect Ana Paula Pessoa - Non-Executive Director*

Independent Non-Executive Director, member of the Conduct and Financial Crime Control Committee. Due to her role as member of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 72.5, Abstain: 0.7, Oppose/Withhold: 26.8,

#### 5.1.k. *Elect Severin Schwan - Senior Independent Director*

Senior Independent Director, considered independent and member of the Risk Committee. Due to his role as member of this committee, opposition is recommended for the lack of action and oversight, which led to the lack of company supervision of their investments in Greensill Capital and then Archegos Capital Management.

Vote Cast: *Oppose*

Results: For: 83.7, Abstain: 0.6, Oppose/Withhold: 15.7,

#### 5.1.m. *Elect Blythe Masters - Non-Executive Director*

Independent Non-Executive Director. There are concerns over the director's potential time commitments.

Vote Cast: *Abstain*

Results: For: 82.8, Abstain: 1.2, Oppose/Withhold: 16.0,

#### 5.2.2. *Reappoint Christian Gellerstad as Member of the Compensation Committee*

This director is considered to be independent. Support would be normally recommended. However, in March 2021, the tactical crisis committee of the Board of Directors consisting of the Chair, the Chairs of the Audit Committee and Risk Committee and the Chair of the Conduct and Financial Crime Control Committee was activated to exercise close oversight and ensure timely decision making with respect to the resolution of the issues in connection with the Credit Suisse Asset Management managed supply chain finance funds. 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.

Vote Cast: *Abstain*

Results: For: 88.1, Abstain: 0.8, Oppose/Withhold: 11.1,

#### 5.2.3. *Reappoint Michael Klein as Member of the Compensation Committee*

Independent Non-Executive Director, candidate to the Remuneration Committee on this resolution. This director is considered to be independent. Support would be normally recommended. 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.

Vote Cast: *Abstain*

Results: For: 86.6, Abstain: 0.9, Oppose/Withhold: 12.5,

#### 5.2.4. *Reappoint Kai Nargolwala as Member of the Compensation Committee*

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

Vote Cast: *Oppose*

Results: For: 87.9, Abstain: 0.6, Oppose/Withhold: 11.4,

### *6.1. Approve Remuneration of Directors in the Amount of CHF 12 Million*

The Board is seeking approval for Board and Committee membership fees for non-executive directors. No increase has been proposed. Nevertheless, it is considered that all of the board, and in particular some of the committees (Risk, Conduct and Financial Crime Control) have demonstrated poor supervision. From the remuneration report, it appears that only the chair (however resigning at the AGM for planned rotation) has waived his compensation. It is considered inappropriate that the compensation of the whole board is not reduced as a result of the lack of supervision and inaction. Due to the lack of a more comprehensive discussion on the remuneration of the board and executive committee beyond a one-off waiving of variable remuneration, opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 71.7, Abstain: 14.2, Oppose/Withhold: 14.2,*

### *6.2.2. Approve Fixed Remuneration of Executive Committee in the Amount of CHF 31 Million*

It is proposed to increase the maximum amount payable to the Executive Board for less than 10% on average per director and on annual basis. Within recommended guidelines. The Board of Directors has withdrawn the item including executive variable pay, short-term and long-term variable remuneration for executives. Nevertheless, it is considered that all executives have demonstrated poor execution and implementation. From the remuneration report, it appears that only the chair (however resigning at the AGM for planned rotation) has waived his compensation. It is considered inappropriate that the compensation of the whole board is not reduced as a result of the lack of supervision and inaction. Due to the lack of a more comprehensive discussion on the remuneration of the board and executive committee beyond a one-off waiving of variable remuneration, opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 90.6, Abstain: 1.3, Oppose/Withhold: 8.2,*

### *8.1. Additional Voting Instructions - Shareholder Proposals*

It is proposed to instruct the independent proxy to approve all shareholder proposals that may be included on the agenda, up until the time of the meeting. No proposals have been set forth at this time. Abstention is recommended.

*Vote Cast: Abstain*

### *8.2. Additional Voting Instructions - Board of Directors Proposals*

It is proposed to instruct the independent proxy to approve all Board proposals that may be included on the agenda, up until the time of the meeting. No proposals have been set forth at this time. Abstention is recommended.

*Vote Cast: Abstain*

## **HANG LUNG GROUP LTD AGM - 30-04-2021**

### *3.B. Elect George Ka Ki Chang*

Non-Executive Director. Not considered independent as he is the MD of Morningside Group, co-founded by Mr. Ronnie Chan, the Executive Chairman. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *3.E. Authorise the Board to Fix Directors' Remuneration*

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*

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

KPMG proposed. Non-audit fees represented 15.38% of audit fees during the year under review and 23.68% 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 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*

### *5. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

### *6. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

### *7. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

## **SAIPEM SPA AGM - 30-04-2021**

### *O.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*

#### *O.9. Approve the Remuneration Report*

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

### **HANA MICROELECTRONICS PCL AGM - 30-04-2021**

#### *5.2. Elect Yingsak Jenratha*

Non-Executive Director. Not considered to be independent as he was the Vice President and Manager of Hana Microelectronics Co., Ltd., which is a subsidiary of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *7. Approve EY Office Limited as Auditors and Authorize Board to Fix Their Remuneration*

EY proposed. Non-audit fees represented 18.08% of audit fees during the year under review and 18.17% 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 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*

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

Standard resolution. 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*

### **COMPANHIA SIDERURGICA NACIONAL AGM - 30-04-2021**

#### *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*

#### *5. 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*

#### *6. 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*

#### *7. 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*

#### *8.1. Cumulative Voting: Percentage of Votes to Be Assigned to Benjamin Steinbruch*

As this candidate is the Chair & CEO combined. 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*

#### *8.3. Cumulative Voting: Percentage of Votes to Be Assigned to Yoshiaki Nakano*

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*

#### *10. Approve Maximum Remuneration*

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 86.8 million. Variable remuneration for executives would correspond to up to 446% 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*

## **OIL SEARCH LTD AGM - 30-04-2021**

### *2. Approve the Remuneration Report*

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

### *3.B. Re-elect Richard Lee - Chair (Non Executive)*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years. Additionally, the director was an Executive Director at CRS Limited, where Ms. Eileen Doyle is the current CEO, and before held various executive positions. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *3.C. Re-elect Eileen Doyle - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has a cross directorship with another director. Richard Lee, Non Executive Chair, that was an Executive Director at CSR Limited There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *3.E. Re-elect Bakheet Al Katheeri - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder, Mubadala Investment Company as he is former CEO of its subsidiary. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *7. Approve Grant Payable to the Board of Directors: Musje Werror and Michael Utsler*

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*

#### 6. *Approve Equity Grant to Executive Director to Keiran Wulff*

The Board is seeking shareholder approval for the purposes of ASX Listing Rule 10.14 for the grant of 308,544 restricted shares, 104,020 of LTI Award, and 386.363 performance rights to the Chief Executive And Managing Director, under the Company's Long-term Incentive Plan.

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. An oppose vote is recommended.

Vote Cast: *Oppose*

### SMURFIT KAPPA GROUP PLC AGM - 30-04-2021

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

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given the serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

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

#### 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. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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: 96.0, Abstain: 0.2, Oppose/Withhold: 3.8,

#### 3. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 93.2, Abstain: 0.8, Oppose/Withhold: 6.0,

#### 6j. *Elect Jorgen Buhl Rasmussen - Non-Executive Director*

Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and

given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 97.8, Abstain: 0.8, Oppose/Withhold: 1.4,*

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

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

*Vote Cast: Oppose*

*Results: For: 96.6, Abstain: 0.0, Oppose/Withhold: 3.4,*

#### *11. 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: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,*

#### *13. Approve Increase in the Maximum Award Opportunity in the Rules of the 2018 Performance Share Plan*

It is proposed to increase the maximum potential award opportunity under the company's performance share plan from 225% to 250% of base salary. It is considered that variable pay should not exceed 200% of salary. For this reason, opposition is recommended.

*Vote Cast: Oppose*

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

### **KINGSPAN GROUP PLC AGM - 30-04-2021**

#### *1. Accept Financial Statements and Statutory Reports*

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: 99.7, Abstain: 0.2, Oppose/Withhold: 0.1,*

#### *5. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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: 61.3, Abstain: 3.1, Oppose/Withhold: 35.6,

#### 9. *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: 99.4, Abstain: 0.0, Oppose/Withhold: 0.6,

#### 10. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 99.4, Abstain: 0.1, Oppose/Withhold: 0.6,

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

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

Vote Cast: *Oppose*

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

### **GRUPO MEXICO SA DE CV AGM - 30-04-2021**

#### 1. *Approve Consolidated Financial Statements and Statutory Reports*

At this time, the financial statements have not been made available. Although not uncommon in this market, it is considered a serious reporting omission. Opposition is recommended.

Vote Cast: *Oppose*

#### II. *Present Report on Compliance with Fiscal Obligations*

The report was not made available sufficiently before the meeting. Opposition is recommended, as this is considered a serious reporting omission.

Vote Cast: *Oppose*

### *III. Approve Allocation of Income*

The dividend proposal was not made available in sufficient time prior to the meeting. On this basis, abstention is recommended.

*Vote Cast: Abstain*

### *IV. Approve Policy Related to Acquisition of Own Shares; Set Aggregate Nominal 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*

### *V. Approve Discharge of Board of Directors, Executive Chairman and Board Committees*

There is insufficient disclosure of meeting materials in a timely manner to provide an informed vote.

*Vote Cast: Abstain*

### *VI. Appoint the Auditors*

Deloitte 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*

### *VII. Elect or Ratify Directors; Verify Independence of Board Members; Elect or Ratify Chair and Members of Board Committees*

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 (companies are not required to disclose the candidates for election to the board of directors or the committees prior to the meeting) 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*

### *VIII. Approve Remuneration of Directors and Members of Board Committees*

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*

#### **GENOMMA LAB INTERNACIONAL AGM - 30-04-2021**

##### *1. Approve Financial Statements, Statutory Reports, Allocation of Income and Discharge Directors*

At this time, the financial statements have not been made available. Although not uncommon in this market, it is considered a serious reporting omission. Abstention is recommended.

*Vote Cast: Abstain*

##### *2. Elect or Ratify Directors, Secretaries, and Chairman of Audit and Corporate Governance Committee*

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*

##### *4. Accept Report on Share Repurchase; 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*

#### **SEMAPA SGPS, S.A. AGM - 30-04-2021**

##### *5. 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*

**FIBRA UNO ADMINISTRACION SA DE CV AGM - 30-04-2021****3. *Elect Ignacio Trigueros Lagarreta - 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*

**5. *Elect Rubén Goldberg Javkin - 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*

**6. *Elect Herminio Blanco Mendoza - 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*

**8. *Approve Remuneration of Technical Committee Members***

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*

**9. *Receive Controlling's Report on Ratification of Members and Alternates of Technical Committee***

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. It is recommended not to support the proposal.

*Vote Cast: Abstain*

**AMP LTD AGM - 30-04-2021****3. *Approve the Remuneration Report***

It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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*

#### [4. Approve Grant of Performance Rights to Francesco De Ferrari](#)

The Board is seeking shareholder approval for the purposes of ASX Listing Rule 10.14 for the grant of AUD 1,334,141 worth performance shares to Francesco De Ferrari, the Chief Executive And Managing Director, under the Company's Long-term Incentive Plan. The Company does not disclose the actual number of performance shares that are to be granted. The proposed grant equates to 60.6% of his fixed remuneration.

Concerns over the plan are raised as performance conditions are not operating interdependently, no non-financial parameters are being used, and a performance period of three years is not considered sufficiently long term.

*Vote Cast: Oppose*

### **COGNA EDUCACAO SA AGM - 30-04-2021**

#### [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. 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 49.1 million. Variable remuneration for executives would correspond to up to 413% 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*

#### [6. Slate Election for Board of Fiscal Council](#)

It is proposed to appoint members of the Fiscal Council in a bundled election. In addition, all the candidates are not considered to be independent: Antônio Lúcio dos Santos, Lucila de Oliveira Carvalho and Ricardo Scalzo, are in the Board of Fiscal Council for over nine years. Eduardo Christovam Galdi Mestieri is not considered to be independent as founder of Alaska Asset Management, a significant shareholder. 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*

*7. 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*

*8. Approve Remuneration of Board of Fiscal Council*

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*

**STARHUB LTD AGM - 30-04-2021**

*2. Elect Nihal Vijaya Devadas Kaviratne CBE - Lead Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is a member of the Audit committee which should comprise wholly of independent directors. There are also concerns over potential aggregate time commitments but this director has attended all Board and committee meetings during the year under review. However, given the independence concerns, an Oppose vote is recommended.

*Vote Cast: Oppose*

*4. Elect Naoki Wakai - Non-Executive Director*

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

*Vote Cast: Oppose*

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

KPMG proposed. Non-audit fees represented 33.33% of audit fees during the year under review and 126.32% 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 five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Oppose*

*8. Approve Nihal Vijaya Devadas Kaviratne to Continue Office as Independent Director for the Purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST*

According to rule 210(5)(d)(iii) of the listing manual in Singapore, independence of directors with tenure of more than nine years and who are seeking re-election as independent directors must be reconfirmed on two separate votes: one for all shareholder (A) and one for all shareholders except CEO, Directors among other ones



(B). This resolution refers to rule 210(5)(d)(iii)(A).

It is welcomed that shareholders are given the possibility to confirm independence of directors. However, this item aims to confirm the independence of this director, who is not considered to be independent due to a tenure of more than nine years. As such, and regardless of the overall independent representation on the board, opposition is recommended.

*Vote Cast: Oppose*

*9. Approve Nihal Vijaya Devadas Kaviratne to Continue Office as Independent Director for the Purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST*

According to rule 210(5)(d)(iii) of the listing manual in Singapore, independence of directors with tenure of more than nine years and who are seeking re-election as independent directors must be reconfirmed on two separate votes: one for all shareholder (A) and one for all shareholders except CEO, Directors among other ones (B). This resolution refers to rule 210(5)(d)(iii)(B).

It is welcomed that shareholders are given the possibility to confirm independence of directors. However, this item aims to confirm the independence of this director, who is not considered to be independent due to a tenure of more than nine years. As such, and regardless of the overall independent representation on the board, opposition is recommended.

*Vote Cast: Oppose*

*10. Approve General Share Issue Mandate*

The authority is limited to 50% of the share capital on a pro-rata basis and no more than 15% can be issued without pre-emptive rights. The mandate expires at the next Annual General Meeting. However, a limit exceeding 10% of shares issued without pre-emptive rights is deemed unacceptable. An oppose vote is recommended.

*Vote Cast: Oppose*

## **INTERPUMP GROUP SPA AGM - 30-04-2021**

*0.4.1. 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*

*0.4.2. Approve the Remuneration Report*

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

### 0.7. Authorise Share Repurchase

It is proposed to authorise the Board to purchase Company's shares for 5% 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*

## ELI LILLY AND COMPANY AGM - 03-05-2021

### 1b. Elect J. Erik Fyrwald - Non-Executive Director

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. There are also 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. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 93.0, Abstain: 0.1, Oppose/Withhold: 6.9,

### 1d. Elect Gabrielle Sulzberger - 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: 99.1, Abstain: 0.1, Oppose/Withhold: 0.8,

### 1e. Elect Jackson P. Tai - Non-Executive Director

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Audit committee which should comprise wholly of independent directors. There are also 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. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 77.6, Abstain: 1.0, Oppose/Withhold: 21.3,

## 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: 95.5, Abstain: 0.2, Oppose/Withhold: 4.3,

### *3. Appoint the Auditors*

EY proposed. Non-audit fees represented 19.71% of audit fees during the year under review and 14.84% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 96.0, Abstain: 0.1, Oppose/Withhold: 3.9,

## **PERUSAHAAN GAS NEGARA TBK AGM - 03-05-2021**

### *4. Approve Remuneration and Tantiem of Directors and Commissioners*

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*

### *5. Approve Auditors of the Company and the Partnership and Community Development Program (PCDP)*

PwC proposed. An adequate break-down of the nature of non-audit fees is not provided, which makes the assessment of auditor's independence based on the non-audit fee impossible. The date of appointment of the auditor is not disclosed, meaning that there are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An oppose vote is recommended.

Vote Cast: *Oppose*

### *7. Amend Articles of Association*

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*

## **HERMES INTERNATIONAL AGM - 04-05-2021**

### *O.3. Approve Discharge of General Managers*

This proposal is not required by law and is increasingly uncommon at French general meetings. Voting in favour of a discharge resolution may have legal consequences regarding the ability of shareholders to pursue subsequent actions against the Board. On this basis, opposition is recommended.

Vote Cast: *Oppose*

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

#### *O.6. Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

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: 94.0, Abstain: 0.1, Oppose/Withhold: 5.9,

#### *O.8. Approve Compensation of Axel Dumas, General Manager*

It is proposed to approve the remuneration paid to Axel Dumas, General Manager of the company. The payout is in line with the best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no 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: 94.3, Abstain: 0.2, Oppose/Withhold: 5.6,

#### *O.9. Approve Compensation of Emile Hermes SARL, General Manager*

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

Vote Cast: *Oppose*

Results: For: 94.3, Abstain: 0.2, Oppose/Withhold: 5.6,

#### *O.11. Approve Remuneration Policy of General Managers*

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: 94.0, Abstain: 0.1, Oppose/Withhold: 5.9,

#### *O.13. Elect Matthieu Dumas - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he is a member of the family controlling shareholder: the companies H2 SAS, SAS Pollux & Consorts, SC Flèches, SC Falaises, Jakyval SA and SC Axam are mainly held by the Hermès' family. With, Mrs. Guerrand (via Jakyval SA) and Dumas, Hermès Family holds together the controlling share percentage of the issued share capital and voting rights. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

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

#### *O.14. Elect Blaise Guerrand - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he is a member of the family controlling shareholder: the companies H2 SAS, SAS Pollux & Consorts, SC Flèches, SC Falaises, Jakyval SA and SC Axam are mainly held by the Hermès' family. The Hermès Family holds together the controlling share percentage of the issued share capital and voting rights. There are concerns over his aggregate time commitments. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 0.1, Oppose/Withhold: 3.1,

#### *O.15. Elect Olympia Guerrand - Non-Executive Director*

Non-Executive Director. Not considered to be independent as she is a member of the family controlling shareholder: the companies H2 SAS, SAS Pollux & Consorts, SC Flèches, SC Falaises, Jakyval SA and SC Axam are mainly held by the Hermès' family. The Hermès Family holds together the controlling share percentage of the issued share capital and voting rights. There are concerns over his aggregate time commitments. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

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

#### *E.19. Authorize Issuance of Equity or Equity-Linked Securities with Preemptive Rights up to 40 Percent of Issued Capital*

Authority sought to issue shares with pre-emptive rights. The authorisation is limited to a number of ordinary shares with a nominal value amounting to 50% of the issued capital over a period of 26 months. However, the authority can be used in time of public offer. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.6, Abstain: 0.0, Oppose/Withhold: 6.4,

#### *E.20. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to 40 Percent of Issued Capital*

Authority is sought to issue shares without pre-emptive rights to an amount of more than 10% of the share capital, which is deemed excessive. Authority is sought to issue shares without pre-emptive rights. Regardless of the corresponding dilution, it can be used in time of public offer, which is considered to be an anti-takeover device. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 90.1, Abstain: 0.0, Oppose/Withhold: 9.9,

#### *E.21. Authorize Capital Issuances for Use in Employee Stock Purchase Plans*

Authority for a capital increase for up to 1% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

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

#### *E.22. Approve Issuance of Equity or Equity-Linked Securities up to 20 Percent of Issued Capital Per Year for Private Placements*

The Board requests authority to approve an authority for the issue of shares by private placement. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 90.3, Abstain: 0.0, Oppose/Withhold: 9.7,

### *E.23. Authorize Capital Increase of up to 10 Percent of Issued Capital for Contributions in Kind*

The Board requests authority to issue shares and capital securities in consideration for contributions in kind up to 10% of the issued share capital over a period of 26 months. The proposal is within legal limits, however it can be implemented also in time of public offer. Opposition is recommended.

Vote Cast: *Oppose*

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

### *E.25. Delegate Powers to the Management Board to Issue Shares in Connection with Item 24 Above*

Authority sought to issue shares with pre-emptive rights. The authorisation is limited to a number of ordinary shares with a nominal value amounting to 50% of the issued capital over a period of 26 months. However, the authority can be used in time of public offer. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 90.4, Abstain: 0.0, Oppose/Withhold: 9.6,

## **DIALOG SEMICONDUCTOR PLC AGM - 04-05-2021**

### *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. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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*

### *3. Reappoint Deloitte LLP as Auditors*

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

Vote Cast: *Abstain*

### *11. Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment*

Proposed authority to issue up to less than 5% of the share capital to be used in exchanges in times of public offer initiated by the Company. At this time, the Company has not disclosed specific plans to future exchange offers. In absence of specific reasons, opposition is recommended.

Vote Cast: *Oppose*

### *12. Authorise the Company to Enter into a Contingent Forward Share Purchase Contract with Barclays Bank plc*

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. While a justification has been provided, it is not considered best practice to distribute funds to shareholders through share repurchases. It would be preferred if the Company used dividends to distribute funds to shareholders, as

there are concerns that share repurchases can be used to artificially inflate share price, and disguise long term falls in Company value. For this reason opposition is recommended.

*Vote Cast: Oppose*

*13. Authorise the Company to Enter into a Contingent Forward Share Purchase Contract with Goldman Sachs International*

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*

*14. Authorise the Company to Enter into a Contingent Forward Share Purchase Contract with HSBC Bank plc*

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. While a justification has been provided, it is not considered best practice to distribute funds to shareholders through share repurchases. It would be preferred if the Company used dividends to distribute funds to shareholders, as there are concerns that share repurchases can be used to artificially inflate share price, and disguise long term falls in Company value. For this reason opposition is recommended.

*Vote Cast: Oppose*

*15. Authorise the Company to Enter into a Contingent Forward Share Purchase Contract with Merrill Lynch International*

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. While a justification has been provided, it is not considered best practice to distribute funds to shareholders through share repurchases. It would be preferred if the Company used dividends to distribute funds to shareholders, as there are concerns that share repurchases can be used to artificially inflate share price, and disguise long term falls in Company value. For this reason opposition is recommended.

*Vote Cast: Oppose*

**MILLICOM INTL CELLULAR SA AGM - 04-05-2021**

*18. Appoint the Auditors*

EY proposed. Non-audit fees represented 3.45% of audit fees during the year under review and 8.81% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. 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 5% and 12 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. Approve the Remuneration Report*

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

#### *22. Approve Guidelines and Policy for Remuneration of Senior Management*

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*

#### *23. Approve Share-Based Incentive Plans*

It is proposed to approve the share-based incentive plans for Millicom executives. The plan is composed of two different components: a Short Term Incentive Plan, Restricted Shares Component (DSP) and a Performance Share Plan (PSP). The Company has not disclosed quantified targets, which may lead to overpayment against underperformance. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

### **AIR LIQUIDE SA AGM - 04-05-2021**

#### *O.1. Approve Financial Statements and Statutory Reports*

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: 98.8, Abstain: 0.7, Oppose/Withhold: 0.5,**



#### *O.2. Approve Consolidated Financial Statements and Statutory Reports*

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: 98.8, Abstain: 0.7, Oppose/Withhold: 0.5,

#### *O.4. Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

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: 97.6, Abstain: 0.1, Oppose/Withhold: 2.3,

#### *O.10. Approve Compensation of Benoit Potier*

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

Vote Cast: *Oppose*

Results: For: 91.4, Abstain: 0.4, Oppose/Withhold: 8.2,

#### *O.11. Approve Compensation Report of Corporate Officers*

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

Vote Cast: *Oppose*

Results: For: 92.3, Abstain: 0.4, Oppose/Withhold: 7.3,

#### *O.12. Approve Remuneration Policy of Corporate Officers*

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

Vote Cast: *Oppose*

Results: For: 90.3, Abstain: 1.3, Oppose/Withhold: 8.4,

#### *E.16. Authorize Board to Increase Capital in the Event of Additional Demand*

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

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

Vote Cast: *Oppose*

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

### **TOMRA SYSTEMS ASA AGM - 04-05-2021**

#### *7. 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*

#### *9. 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*

#### *12. Elect Nomination Committee*

The Company, has not disclosed any biographic information regarding Rune Selmar, Hild Kinder and Anders Mörck, the nominees to the nomination committee. Opposition is recommended.

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*

## AMERICAN EXPRESS COMPANY AGM - 04-05-2021

### 1.k. *Elect Stephen J. Squeri - 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. Additionally, 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 oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 93.8, Abstain: 0.2, Oppose/Withhold: 5.9,

### 1.n. *Elect Ronald A. Williams - Senior Independent Director*

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

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 0.2, Oppose/Withhold: 4.5,

### 2. *Ratify PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 1.94% of audit fees during the year under review and 2.84% 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: 0.1, Oppose/Withhold: 1.8,

### 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: ADC. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.1, Abstain: 0.3, Oppose/Withhold: 4.6,

## BRISTOL-MYERS SQUIBB COMPANY AGM - 04-05-2021

### 1B. *Re-elect Michael W. Bonney - 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: 87.6, Abstain: 0.2, Oppose/Withhold: 12.2,

#### 1C. *Re-elect Giovanni Caforio - 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: 91.9, Abstain: 0.7, Oppose/Withhold: 7.3,

#### 1J. *Re-elect Phyllis R. Yale - 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: 98.3, Abstain: 0.2, Oppose/Withhold: 1.5,

#### 4. *Appoint the Auditors: Deloitte & Touche LLP*

Deloitte proposed. Non-audit fees represented 60.69% of audit fees during the year under review and 63.00% 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: 96.0, Abstain: 0.2, Oppose/Withhold: 3.8,

#### 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: ACA. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 90.7, Abstain: 0.5, Oppose/Withhold: 8.9,

#### 3. *Approve Omnibus Plan*

The Plan is presented as an omnibus plan, which means that bundled within the same official plan there are various incentive plan elements aimed at rewarding different groups of employees, officers and executives. However, it is noted that the Compensation Committee retains the power to select employees to receive awards and determine the terms and conditions of awards (and also note that 'management employees' appear most likely to be the principal beneficiaries of the Plan). On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.1, Abstain: 0.4, Oppose/Withhold: 4.6,

## HOLCIM LTD AGM - 04-05-2021

### 1.2. *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: 7.7, Abstain: 10.3, Oppose/Withhold: 82.0,

### 5.3.1. *Re-election of Colin Hall as a member of the Nomination, Compensation & Governance Committee*

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

Vote Cast: *Oppose*

Results: For: 91.2, Abstain: 0.3, Oppose/Withhold: 8.5,

### 5.3.2. *Re-election of Adrian Loader as a member of the Nomination, Compensation & Governance Committee*

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

Vote Cast: *Oppose*

Results: For: 92.3, Abstain: 0.8, Oppose/Withhold: 7.0,

### 5.3.4. *Re-election of Hanne Birgitte Breinbjerg Sørensen as a member of the Nomination, Compensation & Governance Committee*

This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 74.4, Abstain: 12.8, Oppose/Withhold: 12.8,

### 5.4.1. *Election of Dr. Dieter Spälti as a member of the Nomination, Compensation & Governance Committee*

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

Vote Cast: *Oppose*

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

### 6.2. *Compensation of the Executive Committee for the financial year 2022*

It is proposed to fix the remuneration of members of the Executive Committee until next AGM at CHF 42,500,000 million (CHF 42,500,000 million was proposed last year). This proposal includes fixed and variable remuneration components.

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, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 92.3, Abstain: 0.4, Oppose/Withhold: 7.3,

## **INVESTOR AB AGM - 05-05-2021**

### *8. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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.a. Elect Gunnar Brock - 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*

### *13.d. Elect Tom Johnstone - 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*

### *13.e. Elect Sara Mazur - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Investor AB, a significant shareholder in Ericsson, where she has held various executive positions. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *13.f. Elect Grace Reksten Skaugen - 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*

### *13.g. Elect Hans Straberg - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he is the Chair of Atlas Copco. Investor AB has significant interest in this company. He has also been CEO of Electrolux, also part of Investor AB's portfolio of ownership. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*13.h. Elect Jacob Wallenberg - Chair (Non Executive)*

Non Executive Chair. Not considered to be independent as the Wallenberg family holds a significant percentage of the Company's voting rights. In addition he has previously served as the Executive Vice President and Chief Financial Officer of the Company. Opposition is recommended.

*Vote Cast: Oppose*

*13.i. Elect Marcus Wallenberg - Vice Chair (Non Executive)*

Non-Executive Vice Chair. Not considered to be independent as he is connected to a major shareholder and is a board member at companies in which Investor AB is a major shareholder. In addition he has previously served as the President and CEO of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*14. Reelect Jacob Wallenberg as Board Chairman*

Non Executive Chair. Not considered to be independent as the Wallenberg family holds a significant percentage of the Company's voting rights. In addition he has previously served as the Executive Vice President and Chief Financial Officer of the Company. Not considered independent owing to a tenure of over nine years. Opposition is recommended.

*Vote Cast: Oppose*

*15. Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 20.00% of audit fees during the year under review and 22.58% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. 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.a. A Long-Term Variable Remuneration Program for Employees within Patricia Industries*

It is proposed a share matching plan.

The long-term variable remuneration program for employees within Investor, consisting of a Stock Matching Plan and a Performance-Based Share Program, has been approved by the AGM since 2006 and the long-term variable remuneration program for employees within Patricia Industries has been approved by the AGM since 2017.

Under the plan, the CEO and other executives will be awarded rights to receive shares in exchange for part of the reinvestment of their salary. The shares resulting from reinvestment will be matched by free shares awarded by the Company. While re-investment of the bonus in shares, or payment of part or all of the bonus in shares, are considered positive practice, share matching plans are viewed as a de facto discount for executives to buy company shares. They can eventually result in excessive payments versus performance. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### 16.b. *A long-term variable remuneration program for employees within Patricia Industries*

It is proposed a Share Matching Plan. Under the plan, the employees of Patricia Industries will be awarded rights to receive shares in exchange for part of the reinvestment of their salary. The shares resulting from reinvestment will be matched by free shares awarded by the Company. While re-investment of the bonus in shares, or payment of part or all of the bonus in shares, are considered positive practice, share matching plans are viewed as a de facto discount for executives to buy company shares. They can eventually result in excessive payments versus performance. It is noted that the CEO does not participate in this programme but it is open to other Executive Officers. On this basis, opposition is recommended.

Vote Cast: *Oppose*

#### 17.b. *Approve Equity Plan (LTVR) Financing Through Transfer of Shares to Participants*

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, abstention is recommended also on this resolution.

Vote Cast: *Abstain*

### TEN ENTERTAINMENT GROUP PLC AGM - 05-05-2021

#### 1. *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 some concerns over the Company's sustainability policies and practice. In addition to the board-level accountability, it is recommended to abstain also from voting on the annual report, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for approval.

Vote Cast: *Abstain*

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

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

The CEO salary is in the lower quartile of PIRC's comparator group. All elements of the Single Total Remuneration Table are adequately disclosed. However, the ratio of CEO pay to the average employee has been estimated and stands at 24:1 which is considered unacceptable.

Rating: CC

Vote Cast: *Abstain*

Results: For: 93.4, Abstain: 1.7, Oppose/Withhold: 4.9,

#### 3. *Approve Remuneration Policy*

Overall disclosure is considered adequate. The total maximum potential awards under all incentive schemes are considered excessive at 250% of salary and 300% in exceptional circumstances. There are currently no shareholding requirement in operation at the Company which raises concerns. The vesting period for the LTIP is three years, without further holding period beyond vesting, which is not considered sufficiently long-term. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. The Company states that, the Remuneration Committee may, in exceptional circumstances, consider it appropriate to grant



an award under a different structure in order to facilitate the buy-out of outstanding awards held by an individual on recruitment.

Rating: ADD.

Vote Cast: *Oppose*

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

#### 6. *Elect Antony Smith - Executive Director*

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

Vote Cast: *Abstain*

Results: For: 87.4, Abstain: 1.7, Oppose/Withhold: 10.9,

#### 8. *Elect Christopher Mills - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has links with Harwood Capital LLP which is considered material. There are concerns over the director's potential aggregate time commitments, however it is noted the director has attended all the board and committee meetings he was eligible to attend during the year. There is insufficient balance of independence on the board to enable support for this director. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 81.9, Abstain: 2.0, Oppose/Withhold: 16.1,

#### 9. *Elect Julie Sneddon - Senior Independent Director*

Independent Non-Executive Director. Chair of the Nomination Committee during the year under review and no target has been set to increase the level of female representation on the Board, which currently falls below the recommended 33% target. Opposition is recommended.

Vote Cast: *Oppose*

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

#### 10. *Appoint the Auditors*

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

### 13. *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*

Results: For: 87.4, Abstain: 0.0, Oppose/Withhold: 12.6,

### 14. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended. Furthermore, the company has only recently raised new capital by way of placing in March 2020.

Vote Cast: *Oppose*

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

## **NEXI SPA AGM - 05-05-2021**

### 1. *Approve Financial Statements, Statutory Reports, and Allocation of Income*

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: 99.0, Abstain: 0.8, Oppose/Withhold: 0.3,

### 3. *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: 98.9, Abstain: 0.3, Oppose/Withhold: 0.8,

## **EUOPRIS ASA AGM - 05-05-2021**

### 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. 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*

#### *11.1. Elect Tom Vidar Rygh*

Chair (Non Executive) and member of the Audit Committee. Not considered to be independent as Not independent as he is engaged as an adviser to the Nordic Capital Funds, a significant shareholder of the Company. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *13.1. 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*

#### *13.2. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

#### *14. Approve Authority to Increase Authorised Share Capital*

Authority is sought to increase the authorised share capital of the Company up to 20%. 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*

#### *11.7. Elect Tom Vidar Rygh (Chair)*

Chair (Non Executive) and member of the Audit Committee. Not considered to be independent as Not independent as he is engaged as an adviser to the Nordic Capital Funds, a significant shareholder of the Company. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

## CIE AUTOMOTIVE SA AGM - 05-05-2021

### 5. 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. 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*

### 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*

### 7. Approve Share Appreciation Rights Plan

The Board proposes the approval of a new incentive plan. The Company does not disclose clear performance criteria but only a list of indicators, 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*

### 9. Appoint the Auditors

PwC proposed. Non-audit fees represented 32.89% of audit fees during the year under review and 36.32% 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*

### 10. 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*

## BARCLAYS PLC AGM - 05-05-2021

### 1. *Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. The Company's Sustainability programme is considered to be adequate in order to minimize the impact from material non-financial risks and aiming at better performance. However, owing to concerns surrounding the highlighted issues regarding alleged money laundering, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.2, Oppose/Withhold: 1.8,

### 2. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary did not increase. CEO salary is on the upper quartile of the competitor group

**Balance:**The changes in CEO pay over the last five years are not considered in line with the changes in TSR performance over the same period. Total variable pay for the year under review was not excessive, amounting to 58.9% ( Annual Bonus: 35.9% & LTIP: 23%)of salary for the CEO. The ratio of CEO pay compared to average employee pay is not acceptable at 90:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 97.5, Abstain: 1.8, Oppose/Withhold: 0.7,

### 14. *Elect Jes Staley - Chief Executive*

Chief Executive. It is considered that the company has not adequately responded to recent concerns highlighted below, particularly regarding alleged money laundering, and the alleged treatment of customers facing financial difficulty. These issues are considered to be resultant of issues with the company's corporate culture, for which the CEO is considered to be responsible. For this reason, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.9, Abstain: 0.0, Oppose/Withhold: 2.0,

### 15. *Reappoint KPMG LLP as Auditors*

KPMG proposed. Non-audit fees represented 4.26% of audit fees during the year under review and 4.55% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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,*

#### *17. Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 150,000. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the aggregate total amount exceeds recommended limits. An abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 97.2, Abstain: 1.7, Oppose/Withhold: 1.1,*

#### *20. Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment*

The authority sought is limited to 10% of the Company's issued share capital and expires at the next AGM. This exceeds the recommended 5% maximum. An oppose vote is recommended.

*Vote Cast: Oppose*

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

#### *21. Authorise Issue of Equity in Relation to the Issuance of Contingent Equity Conversion Notes*

It is proposed to give the Directors the authority to allot ECNs, or shares issued upon conversion or exchange of ECNs, up to an aggregate nominal amount of £825,000,000 representing approximately 19.00% of the Company's issued ordinary share capital (excluding shares held in treasury) as at 17 March 2021. The Company explains that this resolution is a recurring resolution at its AGM and will be used to comply or maintain compliance with regulatory capital requirements or targets applicable to the Group.

The use of Contingent Convertible Securities or CoCos is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. CoCos are relatively new instruments and there are concerns that CoCos may create a situation which whilst converting some debt to equity actually disincentivizes equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Recent events at Deutsche Bank has led to others voicing their concerns about the destabilizing effect of CoCos on both the CoCo price and the share price. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 97.9, Abstain: 0.0, Oppose/Withhold: 2.0,*

#### *22. Authorise Issue of Equity without Pre-emptive Rights in Relation to the Issuance of Contingent Equity Conversion Notes*

Authority to allot ECNs, or shares issued upon conversion or exchange of ECNs, for cash up to an aggregate nominal amount of GBP 825,000,000, representing approximately 19.00% of the Company's issued ordinary share capital as at 17 March 2021. This authority is supplementary to Resolution 21, giving the company the additional flexibility to offer ECNs without first offering them to existing shareholders and will expire at next AGM. In line with the voting recommendation in resolution 20, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.4, Abstain: 0.0, Oppose/Withhold: 2.5,

### *23. 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: 97.7, Abstain: 0.4, Oppose/Withhold: 1.9,

### *25. Approve the Renewal of Long Term Incentive Plan*

The Board proposes the approval the renewal 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 which has been quantified  
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: 97.4, Abstain: 0.1, Oppose/Withhold: 2.5,

### *26. Renewal of the Share Value Plan*

The existing share value plan was adopted on 12 March 2010 and approved by shareholders on 27 April 2011. The SVP, as renewed, will continue to be used mainly to award shares in respect of annual incentives in accordance with the principles of the PRA's Remuneration Rules. Awards may also be granted to new joiners to the Group. It is proposed to approve the renewal of the SVP so that the Company may continue granting awards in accordance with the principles of the PRA's Remuneration Rules to employees (including Executive Directors). As Executive directors are eligible to the plan alongside other variable remuneration, there are concerns of remuneration excessiveness. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.9, Abstain: 0.1, Oppose/Withhold: 2.0,

## **ALLIANZ SE AGM - 05-05-2021**

### *3. Approve Discharge of Management Board for Fiscal Year 2020*

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 there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, and the financial statements are not submitted to vote, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

### *4. Approve Discharge of Supervisory Board for Fiscal Year 2020*

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

there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, and the financial statements are not submitted to vote, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

#### *5. Approve Remuneration Policy*

It is proposed to approve the remuneration policy with a non-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: 87.1, Abstain: 0.0, Oppose/Withhold: 12.9,

### **ENBRIDGE INC AGM - 05-05-2021**

#### *2. Approve PricewaterhouseCoopers LLP as Auditors and Authorize Board to Fix Their Remuneration*

PwC proposed. Non-audit fees represented 12.08% of audit fees during the year under review and 16.19% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

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

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

Vote Cast: *Oppose*

### **PHILIP MORRIS INTERNATIONAL INC. AGM - 05-05-2021**

#### *1.c. Elect Michael Combes - 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: 98.9, Abstain: 0.2, Oppose/Withhold: 0.9,



#### 1.d. *Elect Juan Jose Daboub - 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: 99.4, Abstain: 0.2, Oppose/Withhold: 0.4,

#### 1.h. *Elect Kalpana Morparia - 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. Additionally, as the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 96.9, Abstain: 0.2, Oppose/Withhold: 2.9,

#### 1.i. *Elect Robert B. Polet - 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. 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.

Vote Cast: *Abstain*

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

#### 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: BCA . Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 90.4, Abstain: 0.8, Oppose/Withhold: 8.8,

#### 3. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 22.93% of audit fees during the year under review and 25.71% 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*

Results: For: 97.4, Abstain: 0.6, Oppose/Withhold: 2.0,

### PEPSICO INC. AGM - 05-05-2021

#### 1b. *Elect Shona L. Brown - Non-Executive Director*

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

noted that the director is the Chair of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 95.8, Abstain: 0.2, Oppose/Withhold: 3.9,*

*1c. Elect Cesar Conde - 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: 98.7, Abstain: 0.3, Oppose/Withhold: 1.0,*

*1d. Elect Ian M. Cook - Senior Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 95.0, Abstain: 0.3, Oppose/Withhold: 4.7,*

*1e. Elect Dina Dublon - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 95.0, Abstain: 0.3, Oppose/Withhold: 4.7,*

*1g. Elect Ramon Laguarda - 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. In addition, 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 the concerns over the Company's sustainability policies and practice and the merging of the Chair and CEO roles, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 91.4, Abstain: 0.8, Oppose/Withhold: 7.8,*

*1k. Elect Daniel Vasella - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. There are also concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 90.2, Abstain: 1.0, Oppose/Withhold: 8.8,*

### 1m. *Elect Alberto Weisser - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is 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: 98.3, Abstain: 0.3, Oppose/Withhold: 1.4,

### 2. *Ratify KPMG LLP as Auditors*

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

Vote Cast: *Oppose*

Results: For: 94.0, Abstain: 0.2, Oppose/Withhold: 5.8,

### 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: 90.8, Abstain: 1.1, Oppose/Withhold: 8.1,

## THE RENEWABLES INFRASTRUCTURE GROUP AGM - 05-05-2021

### 7. *Re-appoint Deloitte LLP as auditor of the Company*

Deloitte proposed. No Non-audit fees were paid for the year under review and Non-audit fees represents 1.02% 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. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 99.0, Abstain: 0.9, Oppose/Withhold: 0.0,

### 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: 99.9, Abstain: 0.0, Oppose/Withhold: 0.0,

## ANGLO AMERICAN PLC AGM - 05-05-2021

### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

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

### 5. *Elect Ian Ashby - Non-Executive Director*

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

Vote Cast: *Abstain*

Results: For: 98.4, Abstain: 1.2, Oppose/Withhold: 0.4,

### 15. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 13.13% of audit fees during the year under review. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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

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

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.2, Oppose/Withhold: 1.0,

### 17. *Approve the Remuneration Report*

**Disclosure:** Performance conditions and targets for the Annual bonus and LTIP are disclosed. Share incentive awards for each director are fully disclosed. Dividend equivalents are paid on share LTIP awards. Such rewards are not supported as they misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. No loss of office payments or recruitment awards were made during the year under review.

**Balance:** The changes in CEO's total pay over the last five years are commensurate with the changes in the Company's TSR performance over the same period. The CEO's total variable pay is considered highly excessive at approximately 438% of salary. The bulk of this was due to LTIP awards vesting, which alone amounted to 323% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 68:1; it is recommended that the ratio does not exceed 20:1. The change in the CEO's salary is in line with the rest of the Company. The CEO's salary is in the upper quartile of the Company's comparator group which raises concerns over the excessiveness of their pay.

Rating: AD

Vote Cast: *Oppose*

Results: For: 93.4, Abstain: 1.4, Oppose/Withhold: 5.3,

### 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: 87.9, Abstain: 0.2, Oppose/Withhold: 11.9,

## GLAXOSMITHKLINE PLC AGM - 05-05-2021

### 1. *Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organization. However, it is noted that no dividend has been put to the vote for shareholder approval although dividend was declared during the year under review. Failure to give shareholders the opportunity to approve distribution policy at the AGM is viewed as a failure to comply with best practice, regardless of whether payments are made as interim, special or final dividends. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.3, Oppose/Withhold: 1.2,

### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The change in the CEO's salary is not considered to be in line with the rest of the Company. The salary for the position of CEO (Emma Walmsley and Andrew Witty) is in the upper quartile of the Company's comparator group which raises concerns over the excessiveness of her pay.

**Balance:** The changes in the CEO pay over the last five years are in line with the Company's TSR performance over the same period. PSP awards granted to the CEO, Emma Walmsley, are considered excessive, amounting to 356.7% of salary. In addition, total variable pay for the CEO was also excessive at 454.2% of salary, it is recommended that total variable pay should not exceed 200% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 31:1; it is

recommended that the ratio does not exceed 20:1.

Rating: BD

Vote Cast: *Oppose*

Results: For: 92.7, Abstain: 0.4, Oppose/Withhold: 6.8,

#### *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: 93.3, Abstain: 0.4, Oppose/Withhold: 6.3,

#### *20. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.6, Oppose/Withhold: 1.6,

### **PROSAFE SE AGM - 05-05-2021**

#### *7.A. Elect Glen Rødland*

Chair (Non Executive) and member of the Audit Committee. Not considered to be independent as Mr. Rødland has a small indirect ownership interest in Prosafe due to his indirect ownership interest in HitecVision VII, L.P.. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*

#### *7.D. Elect Alf C. Thorkildsen*

Non-Executive Director, member of the Nomination Committee. Gender balance on the Board is under 30%, which is considered as best practice in this market. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members, and members of the Nomination Committee, 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*

#### *9.A. Elect Thomas Raaschou as a member of Nomination Committee*

Thomas Raaschou is not considered independent owing to a tenure of over nine years. Opposition is recommended.

Vote Cast: *Oppose*

*11. Consideration of the Board Report on Executive Remuneration*

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

Vote Cast: *Oppose*

**QBE INSURANCE GROUP LTD AGM - 05-05-2021**

*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. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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*

**SAMHALLSBYGGNADSBOLAGET I NORDEN AB AGM - 05-05-2021**

*13. Approve the Remuneration Report*

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

Vote Cast: *Oppose*

*15. Approve Creation of Pool of Capital without Preemptive Rights*

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

Vote Cast: *Oppose*

### 16. *Authorize Share Repurchase Program and Reissuance of Repurchased Shares*

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

Vote Cast: *Oppose*

## TRITAX BIG BOX REIT PLC AGM - 05-05-2021

### 3. *Approve Remuneration Policy*

Directors' remuneration does not comprise any performance-related element, nor does any director have any entitlement to pensions, share options or any long term incentive plans from the company, which is welcomed. However, the company has not disclosed the aggregate limit set in relation to directors' fees during the year under review. On balance, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 96.9, Abstain: 2.7, Oppose/Withhold: 0.3,

### 9. *Re-elect BDO LLP as Auditors of the Company*

BDO LLP proposed. Non-audit fees represented 15.50% of audit fees during the year under review and 23.75% 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: 99.6, Abstain: 0.4, Oppose/Withhold: 0.0,

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

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

Vote Cast: *Oppose*

Results: For: 92.0, Abstain: 0.5, Oppose/Withhold: 7.6,

### 15. *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. Upon engagement the company states that the proposal is not explicitly part of the Company's investment policy but as previously mentioned the company invests in logistics real estate assets and not portfolios of shares. The Company does not currently have any plans or projects in the pipeline to utilise the authorities set out in resolution 15 but the authority provides the Company with the ability to repurchase shares (in line with permitted levels in the listing rules) which following recent feedback from the company advisers indicates is now required to be in place before many institutional investors will invest. In recent years, the Company has only used the available capital to acquire logistics assets in line with the investment policy rather than undertaking share buybacks. PIRC consider that, 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 capitalization 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. As the authority requested is on general terms and without a specific project in support, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.4, Abstain: 0.6, Oppose/Withhold: 0.0,

## AVIVA PLC AGM - 06-05-2021

### 2. Approve the Remuneration Report

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed.

**Balance:** CEO salary was not increased, and employee pay increased by 1.5%. The CEO's salary is ranked in the lower quartile of PIRC's comparator group. The CEO's variable pay has been estimated and is found acceptable at 120.04% of salary (Annual Bonus: 120.04% & LTIP: nil). The ratio of CEO to average employee pay has been estimated and is found unacceptable at 28:1. 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.

Rating: AC

Vote Cast: *Abstain*

Results: For: 96.5, Abstain: 0.2, Oppose/Withhold: 3.3,

### 3. Approve Remuneration Policy

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 0.1, Oppose/Withhold: 3.1,

### 16. Appoint the Auditors

PwC proposed. Non-audit fees represented 21.94% of audit fees during the year under review and 12.84% 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: 97.3, Abstain: 0.0, Oppose/Withhold: 2.7,*

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

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

*Vote Cast: Oppose*

*Results: For: 95.3, Abstain: 0.1, Oppose/Withhold: 4.6,*

#### *22. Authorise Issue of Equity in Relation to Any Issuance of SII Instruments*

Authority is sought to allot shares and grant rights to subscribe for or to convert any security into ordinary shares in the Company up to an aggregate nominal amount of GBP100,000,000, representing approximately 10.2% of the Company's issued ordinary share capital as at 01 January 2021, such authority to be exercised in connection with the issue of Solvency II (SII) instruments. The authority expires at the next AGM. The Company explains that this authority is needed so that the Company has the flexibility to manage and maintain the Group's capital structure more effectively in the light of evolving regulatory capital requirements, market conditions and appetite for different instruments and their cost-effectiveness. It is noted that these SII instruments include Tier 1 instruments such as Equity Convertible Instruments or ECIs.

The use of Contingent Convertible Securities or CoCos is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. CoCos are relatively new instruments and there are concerns that CoCos may create a situation which whilst converting some debt to equity actually disincentivises equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Recent events at Deutsche Bank has led to others voicing their concerns about the destabilising effect of CoCos on both the CoCo price and the share price. Based on these concerns, an oppose vote is recommended

*Vote Cast: Oppose*

*Results: For: 97.4, Abstain: 0.1, Oppose/Withhold: 2.4,*

#### *23. Authorise Issue of Equity without Pre-emptive Rights in Relation to Any Issuance of SII Instruments*

Authority is sought to allot equity shares for cash up to an aggregate nominal amount of GBP100,000,000, representing approximately 10.2% of the Company's issued ordinary share capital as at 01 January 2021, such authority to be exercised in connection with the issue of Solvency II (SII) instruments. The authority expires at the next AGM. The Company explains that this authority is needed to give it the flexibility necessary to allot equity securities pursuant to any proposal to issue SII Instruments without the need to comply with the strict pre-emption requirements of the UK statutory regime.

The use of Contingent Convertible Securities or CoCos is not considered appropriate as they put investors at significant risk of dilution in the event that conversion

occurs. CoCos are relatively new instruments and there are concerns that CoCos may create a situation which whilst converting some debt to equity actually disincentivizes equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Recent events at Deutsche Bank has led to others voicing their concerns about the destabilizing effect of CoCos on both the CoCo price and the share price. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

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

#### 25. *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 options for 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: 95.9, Abstain: 0.1, Oppose/Withhold: 4.0,

#### 27. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 97.4, Abstain: 0.4, Oppose/Withhold: 2.2,

### JUPITER FUND MANAGEMENT PLC AGM - 06-05-2021

#### 1. *Approve Financial Statements*

The annual report was 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 annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks.

Vote Cast: *Abstain*

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

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

##### **Disclosure:**

Overall, disclosure is considered adequate.

##### **Balance:**

The balance of CEO realised pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. Also, the CEO's salary is below the upper quartile of a peer comparator group. However, total combined variable reward paid during the

year is considered excessive, exceeding the 200% recommended threshold.

**Rating: AD**

*Vote Cast: Oppose*

*Results: For: 97.6, Abstain: 0.2, Oppose/Withhold: 2.2,*

### *3. 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: 95.5, Abstain: 0.2, Oppose/Withhold: 4.4,*

### *8. Elect Nichola Pease - 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: 98.0, Abstain: 0.4, Oppose/Withhold: 1.6,*

### *12. Appoint the Auditors*

PwC proposed. Non-audit fees represented 40.00% of audit fees during the year under review and 47.62% 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: 98.2, Abstain: 0.2, Oppose/Withhold: 1.7,*

### *17. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

## **GRANGES AB NPV AGM - 06-05-2021**

### *9. 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*

### *12. Approve the Remuneration Report*

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

Vote Cast: *Oppose*

### *13. Approve Long-Term Incentive Program 2021 for Management Team and Key Employees*

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*

## **GESTAMP AUTOMOCION AGM - 06-05-2021**

### *2. Approve Non-Financial Statements*

Non-financial information has not been disclosed at this time. The EU Non-Financial Reporting Directive stipulates that member states are required to disclose a non-financial statement containing relevant information as prescribed in the directive. Although companies are allowed to publish such statement until six months after the end of the financial year, it is considered that it should be disclosed to all shareholders in occasion of the annual general meeting. On this ground, abstention is recommended.

*Vote Cast: Abstain*

### *4.4. Re-elect Francisco José Riberas Mera - 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*

### *4.10. Re-elect Ana García Fau - 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. 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*

### *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*

#### 10. *Re-appoint the Auditors: Ernst & Young*

EY proposed. Non-audit fees represented 22.98% of audit fees during the year under review and 21.24% 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*

#### 12. *Approve General Share Issue Mandate*

It is proposed to authorize the Board to issue shares with or without without pre-emptive rights, for up to 20% and 10% of the current share capital, respectively. The authority is valid for the next five years. While the duration is in accordance with Article 297.1.b and 506 of the Capital Companies Act, it is deemed excessive as it is believed that shareholders should decide upon such resolutions annually.

Vote Cast: *Oppose*

#### 13. *Authorise Share Repurchase*

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

#### 14. *Authorisation to the Board to issue debentures or bonds*

The Board requests shareholder authorization to issue debt, including convertible debt without pre-emptive rights, up to 20% of the share capital, over a period of five years. This is in accordance with Article 507 of the Capital Companies Act, but it exceeds guidelines for issuance without pre-emptive rights.

Vote Cast: *Oppose*

### **BAE SYSTEMS PLC AGM - 06-05-2021**

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

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The Company reports that the CEO's salary increase was 6.9% and is not in line with the workforce which its salaries rose by 2.5%. The CEO's salary is in the upper quartile of the competitor group, which raises concerns for potential excessiveness.

**Balance:** The changes in CEO pay over the last five years are not in line with the Company's TSR performance over the same period. Total variable pay for the year under review is excessive at 494.3% of salary. The ratio of CEO pay compared to average employee pay is unacceptable at 38:1; it is recommended that the ratio does not exceed 20:1.

Rating: AE

Vote Cast: *Oppose*

Results: For: 69.3, Abstain: 9.6, Oppose/Withhold: 21.2,

#### 12. *Re-elect Ian Tyler - Non-Executive Director*

Independent Non-Executive Director. It is noted that Mr. Tyler received significant opposition in the 2020 Annual General Meeting of 14.59% of the votes, the company did not disclose how it address the issue with its shareholders. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 97.4, Abstain: 0.9, Oppose/Withhold: 1.7,

#### 21. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.3, Oppose/Withhold: 1.0,

### **KONINKLIJKE (ROYAL) PHILIPS NV AGM - 06-05-2021**

#### 2.b. *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*

Results: For: 99.7, Abstain: 0.2, Oppose/Withhold: 0.0,

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

It is proposed to approve the implementation of the remuneration report. 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: 82.8, Abstain: 1.3, Oppose/Withhold: 15.8,

#### 2.e. *Approve Discharge of Management 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. 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, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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



### *2.f. Approve Discharge of Supervisory 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. 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, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

### *6. 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: 97.1, Abstain: 0.3, Oppose/Withhold: 2.6,

## **SIME DARBY PROPERTY AGM - 06-05-2021**

### *1. Elect Ahmad Johan Mohammad Raslan*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Kumpulan Wang Persaraan where he served as a member of the board until 2012. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

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

PwC proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. 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*

### *7. Elect Ahmad Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj*

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

Vote Cast: *Oppose*

### *8. Approve Related Party Transaction*

The Company seeks a mandate from shareholders for Recurrent Related Party Transactions

Such proposal is 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*

## **BANK OF EAST ASIA LTD AGM - 06-05-2021**

### *2. Approve KPMG as Auditors and Authorize Board to Fix Their Remuneration*

KPMG proposed. Non-audit fees represented 36.00% of audit fees during the year under review and 59.68% 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.

*Vote Cast: Oppose*

### *3.d. Elect Francisco Javier Serrado Trepal*

Non-Executive Director. Not considered independent as the director is considered to be connected with significant shareholders: Criteria and "la Caixa". There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *4. Adopt 2021 Staff Share Option Scheme*

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

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

*Vote Cast: Oppose*

### *6. Authorize Repurchase of Issued Share Capital*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

### *7. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

Vote Cast: *Oppose*

## **MALAYAN BANKING BHD AGM - 06-05-2021**

### *2. Elect Abdul Farid Alias*

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 Datuk R. Karunakaran*

Senior Independent Director, member of the Nomination Committee. Gender balance on the Board is under 30%, which is considered as best practice in this market. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members, and members of the Nomination Committee, 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*

### *6. Elect Tan Sri Dato Sri Zamzamzairani Mohd Isa*

Chair (Non Executive). Not considered to be independent as he is a nominee of Permodalan Nasional Berhad, a major shareholder of Maybank. There is sufficient independent representation on the Board. However, this Director has an attendance record of less than 90% for both Board and Committee meetings which they were eligible to attend during the year. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

### *8. Approve the payment of benefits to eligible Non-Executive Directors*

It is proposed to increase the amount payable to the Non-Executive 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*

## **MONDI PLC AGM - 06-05-2021**

### *12. Re-elect Philip Yea - 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: 99.1, Abstain: 0.1, Oppose/Withhold: 0.9,

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

PwC proposed. Non-audit fees were paid for the year under review and non-audit fees represents 0.76% 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: 99.7, Abstain: 0.1, Oppose/Withhold: 0.3,

#### 18. *Authorise Share Repurchase*

The authority is limited to 5% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.7, Oppose/Withhold: 1.5,

### INDIVIOR PLC AGM - 06-05-2021

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

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 98.1, Abstain: 1.7, Oppose/Withhold: 0.2,

### 3. Approve Remuneration Policy

**Policy Rating: BDC** Changes proposed: i) Alignment of pensions contributions for the Executive Directors with contributions available to the wider workforce, ii) Reduction in LTIP maximum and introduction of a cap on the absolute maximum number of shares. The maximum will be reduced from 500% of salary to 400% of salary and additionally the maximum number of shares to be awarded in any year will be the lower of 1,500,000 shares or 400% of salary, iii) Shareholding policy will be changed to a number of shares such that an Executive Director will be required to hold the lower of 1,500,000 shares or the number of shares equivalent to 400% of salary and iv) Introduction of a formal post-cessation shareholding policy Executive Directors will be expected to hold Indivior shares equal to their incumbent shareholding (or actual shareholding if lower) for two years post departure.

Although the reduction of 20% in the maximum LTIP award is welcomed still the potential variable pay could reach 600% of the salary for the CEO and 520% of the salary for the CFO, and is deemed excessive since it is higher than 200%. 25% of the Annual bonus is deferred to shares for a two year period, this is not considered adequate, it would be preferable 50% of the Bonus to defer to shares for at least three years. Concerns are raised for the LTIP award since there are no non-financial performance measures attached to the LTIP and so the focus of remuneration policy is not the operational performance of the business as a whole or the individual roles of each of the executives in achieving that performance. Instead, the focus of the remuneration policy is financial KPIs, which mainly include factors beyond an individual director's control. The vesting period is three years which is not considered sufficiently long-term, however, a two year holding period applies which is welcomed. For both the Annual Bonus and the LTIP award, the performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. Malus and clawback provisions apply to all variable pay.

Vote Cast: *Oppose*

Results: For: 95.1, Abstain: 0.1, Oppose/Withhold: 4.8,

### 11. Re-elect Graham Hetherington - Chair (Non Executive)

Non-Executive Chair of the Board. As the company does not have 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, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 92.4, Abstain: 1.1, Oppose/Withhold: 6.5,

### 15. Re-appoint PricewaterhouseCoopers LLP as Auditors

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

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

#### 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: 95.2, Abstain: 1.5, Oppose/Withhold: 3.3,

#### 21. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.3, Oppose/Withhold: 1.2,

### **WEC ENERGY GROUP AGM - 06-05-2021**

#### 1.1. *Elect Curt S. Culver - 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: 97.2, Abstain: 0.4, Oppose/Withhold: 2.4,

#### 1.2. *Elect Danny L. Cunningham - Non-Executive Director*

Non-Executive Director. Not considered to be independent, as this director was a Partner and Chief Risk Officer at Deloitte & Touche LLP, the current audit of the Company, until 2015. There has not been a sufficient cool-off period. Although there is sufficient independent representation on the Board, it is noted that the director is 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: 98.5, Abstain: 0.4, Oppose/Withhold: 1.1,

#### 1.7. *Elect Gale E. Klappa - 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: 94.1, Abstain: 0.3, Oppose/Withhold: 5.5,

### 1.9. *Elect Ulice Payne Jr. - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is the Chair of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an Oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 0.4, Oppose/Withhold: 4.2,

### 1.10. *Elect Mary Ellen Stanek - 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: 97.6, Abstain: 0.4, Oppose/Withhold: 2.0,

### 2. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 1.52% of audit fees during the year under review and 1.20% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 96.2, Abstain: 0.4, Oppose/Withhold: 3.4,

### 3. *Amend Existing Omnibus Plan*

It is proposed to amend the WEC Energy Group Omnibus Stock Incentive Plan (OSIP). The Board are proposing to make the following amendments to the OSIP: (1) No evergreen provision, (2) No Automatic Grants, (3) Double-Trigger Acceleration Following a Change in Control, (4) No Liberal Share Recycling of Awards, (5) Minimum Vesting Requirements of at least one year commencing on the date of grant, (6) No Tax Gross-Ups and (7) No Repricing Stock Options without Stockholder Approval.

There are concerns with the Plan as the it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, maximum award limits are excessive. As a result, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.3, Abstain: 0.9, Oppose/Withhold: 4.8,

### 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: 94.0, Abstain: 1.0, Oppose/Withhold: 5.0,

## IMI PLC AGM - 06-05-2021

### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 97.2, Abstain: 2.5, Oppose/Withhold: 0.2,

### 3. *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, however, the CEO salary is in the upper quartile of the competitor group which raises concerns over potential excessiveness.

**Balance:**Changes in CEO pay over the last five years are considered in line with Company's financial performance over the same period. Variable remuneration paid to Mr. Roy Twite in the year under review amounts to 244.55% of base salary which is excessive The CEO pay ratio compared to the average employee is considered excessive at 37:1

Rating: AC

Vote Cast: *Abstain*

Results: For: 95.1, Abstain: 0.6, Oppose/Withhold: 4.4,

### 4. *Approve Remuneration Policy*

**Policy Rating: BDC** Changes proposed: i) The existing pension allowance of 20% for Mr. Daniel Shook is to gradually reduce to align it with the level provided to the workforce by the end of 2022, ii) Increase the Finance Director's shareholding guideline to 200% of base salary whilst maintaining current Chief Executive level (250%),iii) Adaption of a two-year post-employment shareholding guideline and iv) Malus and Clawback provisions will include scenarios of erroneous or misleading data, and misconduct to more specifically align with the 2018 UK Corporate Governance Code.

Total potential variable pay could reach 450% of the salary and is deemed excessive since is higher than 200%. If the Executive has not achieved their share ownership guideline, up to half of any bonus must be invested into IMI shares for at least three years. This is not considered sufficient it would be preferable that 50% of the Bonus is defer to shares for at least three years. Concerns are raised by the LTIP award too, since there are no non-financial performance measures attached to the LTIP and so the focus of remuneration policy is not the operational performance of the business as a whole or the individual roles of each of the executives in achieving that performance. Instead, the focus of the remuneration policy is financial KPIs, which mainly include factors beyond an individual director's control. Performance period is three years which is not considered sufficiently long-term, however, a two-year holding period apply which is welcomed. The performance metrics for both the Annual Bonus and the LTIP are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. Malus and clawback provisions apply to all variable pay. Executives have service contracts with a 12-month notice period. Directors may be entitled to excessive variable awards up to 600% of base salary, on recruitment. In the event of termination of employment, the policy on awards for good leavers is that they vest on normal vesting date or at cessation, subject to satisfaction of the associated performance conditions. Time-apportionment for the period worked is at the discretion of the Committee, which is not supported.

Vote Cast: *Oppose*

Results: For: 92.4, Abstain: 1.0, Oppose/Withhold: 6.5,

### 5. *Re-elect Lord Smith of Kelvin - Chair (Non Executive)*



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

Vote Cast: *Abstain*

Results: For: 94.9, Abstain: 0.4, Oppose/Withhold: 4.7,

#### *6. Re-elect Thomas Thune Andersen - Designated Non-Executive*

Independent non-executive director and Designated non-executive director 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.

This director has an attendance record of less than 90% for both Board and Committee meetings which they were eligible to attend during the year. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

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

#### *B. 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: 91.8, Abstain: 0.0, Oppose/Withhold: 8.1,

#### *C. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 99.4, Abstain: 0.2, Oppose/Withhold: 0.5,

### **KONINKLIJKE (ROYAL) DSM NV AGM - 06-05-2021**

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

It is proposed to approve the implementation of the remuneration report. 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: 90.8, Abstain: 2.8, Oppose/Withhold: 6.4,

#### *5. Adopt Financial Statements and Statutory Reports*

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: 0.9, Oppose/Withhold: 0.0,

#### *7.a. Approve Discharge of Management 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. 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, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 96.9, Abstain: 0.3, Oppose/Withhold: 2.7,

#### *7.b. Approve Discharge of Supervisory 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. 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, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 96.9, Abstain: 0.3, Oppose/Withhold: 2.7,

#### *10. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 13.95% of audit fees during the year under review and 8.40% 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*

Results: For: 98.6, Abstain: 0.2, Oppose/Withhold: 1.2,

#### *12. 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: 98.9, Abstain: 0.1, Oppose/Withhold: 1.0,

## JARDINE MATHESON HLDGS LTD AGM - 06-05-2021

### *6. Elect Percy Weatherall*

Non-Executive Director. Not considered to be independent as he was previously an employee of the Company and he was the Managing Director of the Company up to 2006. In addition he has a family relationship with Henry Keswick, Adam Keswick, Ben Keswick and Simon Keswick. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *7. Appoint the Auditors*

PwC proposed. Non-audit fees represented 19.05% of audit fees during the year under review and 20.97% 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*

## YARA INTERNATIONAL ASA AGM - 06-05-2021

### *4. 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*

### *10. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 5% 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*

## MORGAN ADVANCED MATERIALS PLC AGM - 06-05-2021

### *1. Receive the Annual Report*

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

non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 99.4, Abstain: 0.6, Oppose/Withhold: 0.0,

#### 6. *Re-elect Douglas Caster - Chair (Non Executive)*

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

Vote Cast: *Abstain*

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

#### 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: 91.8, Abstain: 0.0, Oppose/Withhold: 8.2,

#### 17. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### **MELROSE INDUSTRIES PLC AGM - 06-05-2021**

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

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 98.4, Abstain: 1.6, Oppose/Withhold: 0.0,

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

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The Company compares the change in the CEO's salary with senior

employees, which is not considered an appropriate comparator group. The CEO's salary decreased by 6%, and is in line with the workforce which the salary decrease by 1%. The CEO's salary is in the lower quartile of the Company's comparator group.

**Balance:** The changes in CEO pay over the last five years are not considered in line with the changes in the Company's TSR performance over the same period. Total variable pay for the year under review consisted only of the annual bonus and is acceptable at 21.8% of salary. The ratio of CEO pay compared to average employee pay is acceptable at 15:1

Rating: AC

Vote Cast: *Abstain*

Results: For: 97.3, Abstain: 2.3, Oppose/Withhold: 0.4,

#### 8. *Re-elect Justin Dowley - 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, As the company do not have a Sustainability Committee the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. Overall opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.9, Abstain: 0.0, Oppose/Withhold: 3.0,

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

Deloitte proposed. Non-audit fees represented 17.98% of audit fees during the year under review and 12.68% 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 ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is recommended.

Vote Cast: *Oppose*

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

#### 17. *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. It is noted that the company received significant opposition for the resolution in the 2020 AGM of 16.28% of the votes and it has not disclosed how it address the issue with its shareholders. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 80.3, Abstain: 1.6, Oppose/Withhold: 18.1,

#### 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. It is noted that the company received significant opposition for the resolution in the 2020 AGM of 10.83% of the votes and it has not disclosed how it address the issue with its shareholders. Abstention is recommended

Vote Cast: *Abstain*

Results: For: 98.3, Abstain: 1.6, Oppose/Withhold: 0.1,

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

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

Vote Cast: *Oppose*

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

### 20. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 97.9, Abstain: 0.4, Oppose/Withhold: 1.7,

## **EDF (ELECTRICITE DE FRANCE) SA AGM - 06-05-2021**

### O.3. *Approve the Dividend*

The Board proposes a dividend of EUR 0.21 per share. The dividend is covered by retained earnings. As votes on resolution O.3 and O.A are mutually exclusive, it is recommended not to support the board's proposal.

Vote Cast: *Oppose*

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

### O.12. *Elect Marie-Christine Lepetit - Non-Executive Director*

Non-Executive Director. Not considered to be independent as she is Head of the Inspectorate General of Finance at the Ministry for the Economy and Finance and the Ministry for Public Action and Accounts. The French State is the major shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

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

### O.14. *Elect Michèle Rousseau - Non-Executive Director*

Non-Executive Director. Not considered to be independent due to her long-standing relationship with the French State, the major shareholder. She started at the Ministry of the Environment where she was responsible for waste, and later the Ministry of Industry where she held the post of Deputy Director of the Nuclear Installation Safety Directorate with responsibility for oversight of EDF's nuclear fleet. She then moved to the French research and innovation agency, ANVAR, as Deputy Director General, and later to the Ministry of Economy, Finance and Industry as Director with responsibility for energy demand and markets. She then returned to the Ministry of Ecology and Sustainable Development, where she held the positions of Secretary General and, in 2008, Director, Deputy Commissioner General for Sustainable Development, with particular responsibility for implementing the Grenelle Environment initiative. In 2011, she was appointed Director General of the Seine-Normandie Water Agency before returning in 2016 to the General Council for Environment and Sustainable Development where she is Chair of the Haut-de-France Regional Environmental Authority (MRAe). There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

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

*O.15. Elect François Delattre - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: the French State. This director is appointed at the proposal of the French State, pursuant to Article 6, II of Ordinance No. 2014-948 dated 20 August 2014. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.0, Oppose/Withhold: 2.0,

*O.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*

Results: For: 99.4, Abstain: 0.0, Oppose/Withhold: 0.6,

*E.17. Authorize Capital Issuances for Use in Employee Stock Purchase Plans*

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

Vote Cast: *Oppose*

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

**HOWDEN JOINERY GROUP PLC AGM - 06-05-2021**

*1. Accept Financial Statements and Statutory Reports*

The annual report was 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 annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks.

Vote Cast: *Abstain*

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

*10. Elect Richard Pennycook - Chair (Non Executive)*

Independent 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. 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: 95.7, Abstain: 3.4, Oppose/Withhold: 0.9,

### 12. *Reappoint Deloitte LLP as Auditors*

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

Vote Cast: *Oppose*

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

### 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*

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

## **AIB GROUP PLC AGM - 06-05-2021**

### 3. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 32.14% of audit fees during the year under review and 38.16% 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*

### 5. *Approve the Remuneration Report*

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

Vote Cast: *Oppose*

### 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. 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*

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

It is proposed to issue shares without pre-emptive rights for up to 5% of the share capital, in connection with an acquisition or offer initiated by the Company, until next AGM. Exceeds guidelines. Opposition is recommended.

*Vote Cast: Oppose*

*9. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

*13. Approve the Directed Buyback Contract with the Minister for Finance*

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*

**NORSK HYDRO ASA AGM - 06-05-2021**

*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. 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*

**ACS (ACTIVIDADES DE CONSTRUCCION Y SERVICIOS) AGM - 06-05-2021**

*3. Discharge the 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*

#### *5. 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*

#### *7. Authorize Share Repurchase and Capital Reduction via Amortization of Repurchased Shares*

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*

### **RIO TINTO GROUP (AUS) AGM - 06-05-2021**

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

The report was made available sufficiently before the meeting. The financial statements have been audited and certified. However, there are serious concerns over the company's sustainability policies and practices; in particular, concerns are raised regarding the explosion at the aborigine's cave and its root in a lack of stakeholder management, whose resulting reputational damage and financial consequences do not seem to be taken sufficiently into account. As a result, it is recommended to oppose from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

*Vote Cast: Oppose*

#### *2. Approve Remuneration Policy*

All elements of each director's cash remuneration and pension contribution are disclosed. Maximum potential awards under all incentive schemes are clearly stated, but considered excessive. Malus and clawback can be applied by the Committee, which is welcomed. PSP performance period is deemed long-term as it has a horizon of five years. It is noted 50% of any annual bonus is deferred with the remainder delivered in cash with no deferral.

It is noted that the CEO and the CFO are entitled to 'other benefits', which are considered to be highly generous and excessive. Unvested awards remain subject to the satisfaction of the performance conditions.

The PSP is based on the achievement of relative TSR which remains the sole metric. The use of a sole metric in the assessment of executive long term performance is considered contrary to best practice. In addition, the absence of non-financial parameters to assess Executives' long-term performance raises concerns over the

viability of the remuneration structure. Any dividend equivalent shares will be calculated on the vested shares at vesting. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

### *3. Approve the Remuneration Report*

Overall disclosure is adequate. The increase in the CEO's salary is in line with the rest of the Company, as the Company reports that the CEO's salary increased by 2% while the average pay of the Australian workforce increased by 4%. However, it is noted that percentage increase in the overall workforce has not been disclosed. The CEO's salary is in the median of PIRC's comparator group. The CEO's variable pay for the Year Under Review is considered to be overly excessive as it amounts to over 200% of his base salary. Also, the CEO was awarded an LTIP of approximately 654% of his base salary which is considered excessive. Based on these excessiveness concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

### *4. Approve the Directors' 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 maximum potential award under all the incentive schemes is 600% of salary which is highly excessive. As stated in resolution 3, the current variable pay of the CEO is also deemed excessive at over 200% of base salary. There are concerns over features of the Long Term Incentives (LTI) plan as no non-financial performance metrics are in use and the performance conditions do not operate interdependently. Upon termination, there are significant concerns with regards to the fact that the outstanding PSP awards, after the first 36 months from the date of grant, will not be pro-rated for period served. An oppose vote is therefore recommended.

*Vote Cast: Oppose*

### *8. Re-elect Sam Laidlaw - Senior Independent Director*

Senior Independent Director. Considered Independent. Chair of the remuneration committee. As the company awarded termination benefits to the CEO after his resignation due to the explosion of the aboriginal cave, opposition is recommended.

*Vote Cast: Oppose*

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

Non-Executive Chair of the Board. The chair holds another chair position at a listed company, which raises time commitment concerns. It is considered that the chair should be able to wholly dedicate their time to the company in times of company crisis. The COVID pandemic has shown that there are times when multiple unrelated companies will require the Chair's full attention in order to be able to handle times of crisis. It is considered that there is insufficient time to be able to effectively chair two or more companies at the same time. For this reason, opposition is recommended.

*Vote Cast: Oppose*

### *13. Re-elect Ngaire Woods - 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*

#### *18. Renewal of Off-Market and On-Market Share Buy-Back Authorities*

It is proposed to authorise the Board to purchase Company's shares of up to 15% of the issued share capital at the company 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*

### **MELROSE INDUSTRIES PLC EGM - 06-05-2021**

#### *1. Approve Disposal of Nortek Air Management*

**Introduction:** On 19 April 2021 the company announced that in line with its business model (Buy Improve Sell) has entered in a disposal agreement to sell its Nortek Air Management business to Madison IAQ LLC (the Purchaser), a subsidiary of Madison Industries US Holdings Corporation (Madison Industries), for consideration of approximately GBP 2.62 billion (USD 3.625 billion), payable in cash on Completion. The company acquired Air Management in 2016 as part of its purchase of Nortek, Inc. and since then has implemented numerous operational improvement programmes within the business. The remaining Nortek businesses that were acquired as part of the Nortek, Inc. acquisition, namely Ergotron and Nortek Control, will be retained by the Melrose Group.

**Proposal:** The Disposal Agreement between the Seller, the Sale Company, the Purchaser and Madison Industries was entered into on 18 April 2021, pursuant to which an indirect subsidiary of Melrose has agreed to sell Air Management. The consideration for the Disposal is based on an enterprise value of approximately USD 3.625 billion and is payable in cash on Completion, subject to limited customary adjustments. The Disposal is expected to complete in the second or third quarter of 2021.

**Rationale:** The proposed agreement is in line with Melrose's established business model to buy good manufacturing businesses, improve their performance typically over a three to five-year investment horizon, sell a more profitable and a better cash generating asset to a new owner and return cash to Shareholders and other key stakeholders. Benefits of the agreements are: i) Cash consideration of approximately £2.62 billion (\$3.625 billion), subject to customary adjustments, ii) Implied sale multiple of 2.3 times 2020 revenue, iii) Implied sale multiple of 12.5 times 2020 Adjusted EBITDA, iv) The company intends to use part of the net proceeds to reduce debt and contribute approximately GBP 100 million to the GKN UK defined benefit pension schemes, which means that the funding deficit will have reduced from approximately GBP 1 billion to approximately GBP 200 million under Melrose ownership and v) A portion of the net proceeds will be returned to Shareholders.

**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 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*

*Results: For: 98.2, Abstain: 1.7, Oppose/Withhold: 0.1,*

## **HENNES & MAURITZ AB (H&M) AGM - 06-05-2021**

### **8.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: Abstain*

### **8.B.1. *Approve Allocation of Income and Omission of Dividends***

No dividend for the year is proposed. As support can be granted only to one of the mutually exclusive dividend proposals, it is recommended not to support this one.

*Vote Cast: Oppose*

### **8.C.1. *Approve Discharge of Board Chair Karl-Johan Persson***

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*

### **8.C.2. *Approve Discharge of Board Chair Stefan Persson, Until May 7, 2020***

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*

### **8.C.3. *Approve Discharge of Board Member Stina Bergfors***

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*

### **8.C.4. *Approve Discharge of Board Member Anders Dahlvig***

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*

### **8.C.5. *Approve Discharge of Board Member Danica Kragic Jensfelt***

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*

*8.C.6. Approve Discharge of Board Member Lena Patriksson Keller*

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*

*8.C.7. Approve Discharge of Board Member Christian Sievert*

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*

*8.C.8. Approve Discharge of Board Member Erica Wiking Hager*

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*

*8.C.9. Approve Discharge of Board Member Niklas Zennstrom*

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*

*8.C.10. Approve Discharge of Board Member Ingrid Godin*

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*

*8.C.11. Approve Discharge of Board Member Alexandra Rosenqvist*

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*

#### *8.C.12. Approve Discharge of Deputy Board Member Helena Isberg*

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*

#### *8.C.13. Approve Discharge of Deputy Board Member Margareta Welinder*

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*

#### *8.C.14. Approve Discharge of CEO Helena Helmersson, From Jan. 30, 2020*

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*

#### *8.C.15. Approve Discharge of CEO Karl-Johan Persson, Until Jan. 29, 2020*

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*

#### *11.2. Elect Anders Dahlvig*

Non-Executive Director and member of the Audit Committee. Not considered independent owing to a tenure of over nine years. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *11.5. Elect Karl-Johan Persson*

Chair (Non Executive). As there is no Sustainability Committee, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given the concerns over the Company's sustainability policies and practice, an abstain vote is recommended.

*Vote Cast: Abstain*

#### *11.6. Elect Christian Sievert*

Non-Executive Director and Chair of the Audit Committee. Not considered independent as the director is considered to be connected with Ramsbury Invest AB. Christian Sievert is CEO of a company majority owned by Ramsbury Invest AB, the controller of H&M. It is considered that the Audit Committee should consist of solely

independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *11.9. Elect Karl-Johan Persson as Chair*

The director is proposed as Chair (Non Executive) on this resolution. Not considered independent as the director is considered to be connected with a significant shareholder: the Persson family. President and CEO of H&M Hennes & Mauritz AB during the period 1 July 2009 to 30 January 2020. It is considered that, where shareholder can elect the chair of the board on a separate resolution, support should be recommended only to independent candidates.

*Vote Cast: Oppose*

#### *13.1. Elect Nomination Committee*

Elect Karl-Johan Persson, Stefan Persson, Lottie Tham, Jan Andersson and Erik Durhan as Members of Nominating Committee. It is proposed that the Nomination Committee shall consist of the representatives of the major shareholders and the Chair of the Board, who is not the Chair of the Committee. Not considered independent as the director is considered to be connected with a significant shareholder: the Persson family. As such, the composition of the Committee is not deemed to reflect best practice.

*Vote Cast: Oppose*

#### *15. 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*

### **RATHBONE BROTHERS PLC AGM - 06-05-2021**

#### *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 since no increase was given to the CEO salary for the year under review and the workforce has a salary increase of 3.6%. CEO salary is at the median of the competitors group.

**Balance:** The CEO's realized reward for the year under review is not considered excessive at 170.45% of salary. The ratio of CEO to average employee pay has been estimated and is found acceptable at 13:1. Changes in CEO pay over the last five years are considered in line with Company's financial performance over the same period.

Rating: AB, It is noted that the remuneration report in the 2020 AGM receive significant opposition of 11.18% of the votes. The company did not disclose how it address the issue with its shareholders. Abstention is recommended.



Vote Cast: *Abstain*

### 3. Approve Remuneration Policy

**Policy Rating: BCC** Changes proposed: i) Introduction of an Annual Bonus with maximum opportunity of 135% of the salary. at least 60% of the award will be based on financial measures. For 2021, the financial measures will be underlying profit before tax and growth with equal weighting applied to these measures. The remainder of the award will be focused on strategic measures that are determined by the committee each year. 50% of the award will be deferred in shares for three years, ii) Introduction of a Restricted Stock Plan (RSP), maximum and normal grant of 65% of fixed pay with a three-year vesting and an additional two year holding period. The award vests subject to the assessment of robust performance underpins, over a three year period.

Total potential variable pay under the new policy is set at 200% of the salary and is in line with best practices. The deferral period of the Annual bonus is adequate which is welcomed. However, the performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. There is no evidence that dividends may not accrue on vesting awards from the date of grant. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. The vesting period for the new Restricted Share plan is three years which is not considered sufficiently long-term, however a two year holding period apply which is welcomed. Malus and clawback provisions apply to all variable pay.

Vote Cast: *Abstain*

### 4. Approve Executive Share Performance Plan

It is proposed to approve the Executive Share Plan of the company. The Plan contains two parts: (i) an annual bonus plan (the 'ABP') which also provides for the grant of deferred share awards ('Deferred Awards') and (ii) a restricted share plan (the 'RSP') which provides for the grant of restricted share awards. The Annual Bonus has a maximum of 135% of the salary. The amount of any bonus to be awarded will be determined by reference to the extent to which the relevant performance conditions have been satisfied for the relevant financial year and such other conditions as the Committee may determine. A Deferred Award will normally vest in equal portions on the first, second and third anniversaries of its grant date. Deferred Awards will not be subject to any post vesting holding period. The Restricted Share Plan (RSP) has a maximum of 65% of the salary. The plan may be subject to a performance underpin that must be satisfied in order for the Restricted Award to vest. The Committee may vary or substitute the performance underpin, provided that any such varied or substituted performance underpin produces a more appropriate measure of performance and is materially not easier to satisfy. Under the directors' remuneration policy proposed for approval by shareholders at the AGM, Restricted Awards granted to any executive director will be subject to a performance underpin. As a general rule, an Award will lapse upon a participant's termination of employment prior to the vesting date. However, if a participant ceases to be an employee because of ill-health, disability, retirement with the consent of the Committee, their employing company or the business for which they work being sold out of the group or in other circumstances at the discretion of the Committee, then their Award will continue to vest according to the normal vesting schedule. The Remuneration Committee may apply the Plans' malus and clawback provisions in specified circumstances at any point prior to the seventh anniversary of the date of award of a bonus or the grant date of an Award.

Performance targets for the Annual Bonus have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. In addition the Restricted Share Plan do not have performance measures, instead the remuneration committee use a variation of underpins. In line with the recommendation for resolution 3 abstention is recommended.

Vote Cast: *Abstain*

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

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

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

*Vote Cast: Oppose*

#### *19. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

### **DEUTSCHE POST AG AGM - 06-05-2021**

#### *3. Approve Discharge of Management Board for Fiscal Year 2020*

Standard proposal. However, the GMB union claims DHL Supply Chain was "flaunting" UK government Covid-19 guidelines in Yorkshire, and failed to provide drivers with personal protective equipment. Several concerns have been identified: DHL Supply Chain denied that it was putting its employees at risk and said that all its sites across the country were now following public health recommendation. In addition, the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. Furthermore, the company do not have an 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 aggregate, and based on the potential unforeseeable consequences for the company, opposition is recommended.

*Vote Cast: Oppose*

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

#### *4. Approve Discharge of Supervisory Board for Fiscal Year 2020*

Standard proposal. However, the GMB union claims DHL Supply Chain was "flaunting" UK government Covid-19 guidelines in Yorkshire, and failed to provide drivers with personal protective equipment. Several concerns have been identified: DHL Supply Chain denied that it was putting its employees at risk and said that all its sites across the country were now following public health recommendation. In addition, the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. Furthermore, the company do not have an 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 aggregate, and based on the potential unforeseeable consequences for the company, opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 96.6, Abstain: 0.0, Oppose/Withhold: 3.4,*

#### *5. Appoint the 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.

Vote Cast: *Oppose*

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

#### 6.2. *Elect Ing. Katja Windt - 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: 97.7, Abstain: 0.0, Oppose/Withhold: 2.3,

#### 6.3. *Elect Nikolaus von Bomhard - Chair (Non Executive)*

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

Vote Cast: *Abstain*

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

#### 8. *Authorize Share Repurchase Program and Reissuance or Cancellation of Repurchased 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*

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

#### 9. *Authorize Use of Financial Derivatives when Repurchasing Shares*

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 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*

Results: For: 91.2, Abstain: 0.0, Oppose/Withhold: 8.8,

#### 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*

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

#### 11. *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*

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

## RIGHTMOVE PLC AGM - 07-05-2021

### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 98.9, Abstain: 1.1, Oppose/Withhold: 0.0,

### 4. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 8.66% of audit fees during the year under review and 5.24% 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: 97.1, Abstain: 0.0, Oppose/Withhold: 2.9,

### 7. *Elect Andrew Fisher - 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: 98.9, Abstain: 1.0, Oppose/Withhold: 0.1,

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

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

Vote Cast: *Oppose*

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

#### 17. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.2, Oppose/Withhold: 1.1,

### **CONVATEC GROUP PLC AGM - 07-05-2021**

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

The CEO's salary is in the median quartile of PIRC's comparator group. The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over five years is not commensurate with the change in TSR over the same period. The ratio of CEO pay compared to the average employee is not considered excessive at 13:1. Overall, Opposition is recommended.

Rating: AE

Vote Cast: *Oppose*

Results: For: 97.2, Abstain: 0.0, Oppose/Withhold: 2.8,

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

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

Vote Cast: *Oppose*

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

#### 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,

## **ALMIRALL SA AGM - 07-05-2021**

### *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, 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 reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

### *9. Re-Elect Jorge Gallardo Ballart - Chair (Non Executive)*

Non-Executive Director. Not considered to be independent as is the major shareholder of Grupo Plafin SA and Grupo Corporativo Landon SL, the controlling shareholder of the company. He is the brother of Antonio Gallardo Ballart, former non-executive Vice Chair of the company. 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: *Abstain*

### *16. Re-Elect Alexandra B. Kimball - 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*

### *21. Appoint KPMG Auditores as Auditor of Standalone Financial Statements*

PwC proposed. Non-audit fees represented 17.70% of audit fees during the year under review and 35.83% 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*

### *22. Appoint KPMG Auditores as Auditor of Consolidated Financial Statements*

PwC proposed. Non-audit fees represented 17.70% of audit fees during the year under review and 35.83% 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*

## **TELUS CORPORATION AGM - 07-05-2021**

### *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: ACC. Based on this rating, abstention is recommended.

*Vote Cast: Abstain*

### *4. Approve the TELUS Directors Deferred Share Unit Plan*

The Board proposes the approval of the TELUS Directors Deferred Share Unit Plan a long-term incentive plan that awards deferred share units (DSUs). Under the plan, the CEO and other executives will be awarded DSUs will vest depending on the achievement of some performance criteria: DSUs are valued and paid out after a director ceases to be a director for any reason at a time elected by the director in accordance with the DSU Plan; the payout amount is based on the number of DSUs multiplied by the then applicable market price for shares, which is equal to the volume weighted average price per share at which the shares trade on the TSX as of the immediately preceding business day; and DSUs, when granted, are based on the dollar amount allocated to the director divided by the weighted-average trading price of shares on the business day prior to grant date.

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*

## **INTERCONTINENTAL HOTELS GROUP PLC AGM - 07-05-2021**

### *3.N. Re-elect Dale Morrison - Senior Independent Director*

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

*Vote Cast: Oppose*

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

### *4. Appoint Pricewaterhouse Coopers LLP as Auditors*

PwC proposed as new auditor in replacement of EY. 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*

Results: For: 99.0, Abstain: 0.0, Oppose/Withhold: 0.9,

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

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

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.2, Oppose/Withhold: 1.4,

#### 11. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 99.6, Abstain: 0.1, Oppose/Withhold: 0.4,

### **PEMBINA PIPELINE CORP AGM - 07-05-2021**

#### 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*



## **ANTA SPORTS PRODUCTS AGM - 07-05-2021**

### *7. Authorise the Board to Fix Directors' Remuneration*

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*

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

KPMG proposed. Non-audit fees represented 6.51% of audit fees during the year under review and 33.15% 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*

### *10. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

## **AAK AB, KARLSHAMN AGM - 07-05-2021**

### *7.c1. Discharge Georg Brunstam*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

### *7.c2. Discharge Bengt Baron*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing

Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c3. Discharge Gun Nilsson*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c4. Discharge Marianne Kirkegaard*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c5. Discharge Marta Schorling Andreen*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c6. Discharge Patrik Andersson*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c7. Discharge Leif Hakansson*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing

Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c8. Discharge Lena Nilsson*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c.9. Discharge Mikael Myhre*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c10. Discharge Annica Edvardsson*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c11. Discharge Fredrik Rydberg*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

#### *7.c12. Discharge Johan Westman*

Standard resolution. Under the Whistleblowing Act in Sweden, companies are to adopt internal whistleblowing procedures. No sanctions are provided for companies found in non-compliance, yet employees may be allowed to sue companies for damage, in case of retaliation. As the Company does not discuss the new Whistleblowing

Act and does not seem to have implemented a whistleblowing hotline, it is considered that the Company may be exposed to serious legal risks and discharge should not be supported.

*Vote Cast: Oppose*

*10.a. Elect Gun Nilsson*

Non-Executive Director and member of the Audit Committee. Not considered to be independent as the director is the former Chief Executive Officer of Melker Schörling AB, the major shareholder. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

*10.c. Elect Märta Schörling Andreen*

Non-Executive Director and member of the Audit Committee. Not considered to be independent as she has family ties with the major shareholder Melker Schörling. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

*10.e. Elect Georg Brunstam*

Chair (Non Executive), member of the Remuneration Committee. The Director is not considered independent as the director is considered to be connected with a significant shareholder: Melker Schörling AB. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

*10.f. Elect Georg Brunstam as Chairman of the Board*

Chair (Non Executive), member of the Remuneration Committee. The Director is not considered independent as the director is considered to be connected with a significant shareholder: Melker Schörling AB. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

*10.g. New Election of the Accounting Firm KPMG AB*

PwC proposed. Non-audit fees represented 28.23% of audit fees during the year under review and 63.80% 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*

### *11. Elect Nomination Committee*

It is proposed that the Nomination Committee shall consist of the representatives of the major shareholders and the Chairman of the Board. As the Chairman of the proposed Nomination Committee is a Director, the composition of the committee does not meet best practice guidelines. Therefore, opposition is recommended.

*Vote Cast: Oppose*

### *12. Approve the Remuneration Report*

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

*Vote Cast: Oppose*

### *13. 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*

### *14. Proposal of the Board of Directors for Implementation of a Long-term Incentive Program Including Resolutions on (a) Issue of Subscription Warrants Series 2021/2026 and (B) Transfer of Subscription Warrants Series 2021/2026 (Incentive Program 2021/2026)*

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*

### *16. Proposal Regarding Authorization for the Board of Directors to Resolve on Repurchase and Transfer of the Company's 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*

## **VEONEER INC AGM - 10-05-2021**

### *1.3. Re-elect Jan Carlson - 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. Advisory Vote to Ratify Named Executive Officers' Compensation*

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*

### *3. Approve Executive Share Option Plan*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

## **HEXCEL CORPORATION AGM - 10-05-2021**

### *1a. Elect Nick L. Stanage - 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*

#### *1b. Elect Jeffrey C. Campbell - Lead Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is 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*

#### *1d. Elect Thomas A. Gendron - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended

*Vote Cast: Oppose*

#### *1e. Elect Jeffrey A. Graves - Non-Executive Director*

Non-Executive Director. Not considered independent as owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. There are also 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. Based on these concerns, an oppose vote is recommended

*Vote Cast: Oppose*

#### *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*

#### *3. Ratify Ernst & Young LLP as Auditors*

EY proposed. Non-audit fees represented 6.13% of audit fees during the year under review and 8.41% 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*

## HUTCHISON TELECOM HONG KONG AGM - 10-05-2021

### *3.a. Elect Dennis Pok Man Lui*

Non-Executive Director. Not considered to be independent as Mr. Lui Dennis Pok Man is a Director of Hutchison Telecommunications Group Holdings Limited, a substantial shareholder of the Company. He has held executive positions within the Group. Additionally, he has been on the board for over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *3.c. Elect Rosanna Wong Yick-ming*

Non-Executive Director. Not considered to be independent as Ms Wong is a Non-Executive Director at CKHH which is the controlling shareholder of the Company. Additionally, she was a director of Cheung Kong (Holdings) for the period from 2001 to 2015 and such company has become a wholly owned subsidiary of CKHH in 2015. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *3.d. Authorise the Board to Fix Directors' Remuneration*

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*

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

PwC proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. 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*

### *6. Authorize Repurchase of Issued Share Capital*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*



## LEONARDO SPA AGM - 10-05-2021

### *O.5. Approve Long-Term Incentive Plan*

The Board proposes the approval of a new incentive plan. Under the plan, the CEO and other executives will be awarded options/rights to receive shares, which will start vesting after three years from the date of award. The Company does not disclose clear performance criteria but only a list of indicators, 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*

### *O.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*

### *O.7. Approve the Remuneration Report*

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

## TENAGA NASIONAL BHD AGM - 10-05-2021

### *1. Elect Juniwati Rahmat Hussin*

Non-Executive Director. Not considered independent as the director was previously employed by PETRONAS. The Company have entered into a partnership with Petronas Dagangan and Green Technology Corporation. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *2. Elect Gopala Krishnan K.Sundaram*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: he is an advisor on the Financial Services Act 2013 and the Islamic Financial Services Act 2013 for the Malaysian state, a significant shareholder. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*3. Elect Dato Asri bin Hamidin @ Hamidon*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: the Ministry of Finance. He was appointed Director by MoF Inc., the Special Shareholder of TNB, and he was Secretary General of Treasury, Ministry of Finance (2020 - Present). There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*8. 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*

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

PwC proposed. Non-audit fees represented 14.58% of audit fees during the year under review and 63.82% 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.

*Vote Cast: Oppose*

*11. Approve Equity Grant to Noor Liyana binti Baharin*

It is proposed to grant the board authority to offer and allocate of up to of up to 4,400 TNB Shares under the LTIP to Noor Liyana binti Baharin, Electrical Engineer of the Company. This incentive plan does not describe sufficiently the performance criteria in order to justify the allotment of shares. This proposal constitutes a request for additional remuneration. Opposition is recommended.

*Vote Cast: Oppose*

**CENTRICA PLC AGM - 10-05-2021**

*1. Accept Financial Statements and Statutory Reports*

Strategic report meets guidelines. Adequate environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organisation. However, on 7 January 2021, thousands of Centrica's staff, including engineers, reportedly walked out in response to the company's 'fire and rehire' strategy. Centrica plans to cut pay under threat of firing staff only to then re-hire them with lesser pay. Union GMB said its members are mounting socially distanced picket lines in the UK. In December 2020, 7,000 frontline office workers represented by the Unison trade union reportedly accepted the new terms of contract, and 4,000 non-unionised staff also agreed to sign new

contracts.

This is considered to be an inappropriate business practice. These practices are considered to be examples of a corporate culture that is not aligned with the interests of all stakeholders. There are serious concerns over impact from non-financial data, and the lack of discussion by the company in the annual reporting. For these reasons opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 97.5, Abstain: 0.2, Oppose/Withhold: 2.3,*

### *3. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets 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: 93.3, Abstain: 1.0, Oppose/Withhold: 5.6,*

### *10. Elect Chris OShea - Chief Executive*

Chief Executive. On 7 January 2021, thousands of Centrica's staff, including engineers, reportedly walked out in response to the company's 'fire and rehire' strategy. Centrica planned to cut pay under threat of firing staff only to then re-hire them with lesser pay.

This is considered to be an inappropriate business practice, and the CEO is considered to be ultimately operationally responsible for the company. These practices are considered to be examples of a corporate culture that is not aligned with the interests of all stakeholders, and for these reasons opposition is recommended.

*Vote Cast: Oppose*

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

### *11. Elect Scott Wheway - Chair (Non Executive)*

Chair of the board. Independent upon appointment. However, on 7 January 2021, thousands of Centrica's staff, including engineers, reportedly walked out in response to the company's 'fire and rehire' strategy. Centrica planned to cut pay under threat of firing staff only to then re-hire them with lesser pay.

This is considered to be an inappropriate business practice and the chair is considered to be ultimately responsible for the supervision for the company. These practices are considered to be examples of a corporate culture that is not aligned with the interests of all stakeholders, and owing to this perceived supervisory failure, opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 97.8, Abstain: 0.1, Oppose/Withhold: 2.1,*

### *14. Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 125,000. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the aggregate total amount exceeds recommended limits,

*Vote Cast: Oppose*

*Results: For: 96.4, Abstain: 0.1, Oppose/Withhold: 3.5,*

### 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: 94.9, Abstain: 2.2, Oppose/Withhold: 2.8,

### 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: 98.5, Abstain: 0.5, Oppose/Withhold: 1.1,

## THE GYM GROUP PLC AGM - 11-05-2021

### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of each director's cash remuneration are disclosed. The CEO salary is in line with the workforce. The CEO salary is the lower quartile of a peer comparator group.

**Balance:** The total realized rewards under all incentive schemes are not considered excessive at 4.41% of salary (Annual Bonus 0% and LTIP 4.41%). It is noted that no Annual Bonus is given for the financial year 2020 which is commendable. The ratio of CEO pay compared to average employee pay is considered excessive at 24:1. The balance of CEO realized pay with financial performance is not considered acceptable as the change in CEO total pay over four years is not commensurate with the change in TSR over the same period.

Rating: AC

Vote Cast: *Abstain*

Results: For: 91.1, Abstain: 5.8, Oppose/Withhold: 3.1,

### 5. *Re-elect Richard Darwin - 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: 97.5, Abstain: 0.0, Oppose/Withhold: 2.5,

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

EY proposed. No non-audit fees were paid for the year under review and non-audit fees represents 10.04% of audit fees on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There

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

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

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

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.0, Oppose/Withhold: 2.4,

#### *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: 92.8, Abstain: 3.3, Oppose/Withhold: 4.0,

#### *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: 96.6, Abstain: 0.0, Oppose/Withhold: 3.4,

### **ASTRAZENECA PLC AGM - 11-05-2021**

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

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

non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

*Vote Cast: Abstain*

*Results: For: 98.9, Abstain: 0.9, Oppose/Withhold: 0.1,*

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

PwC proposed. Non-audit fees represented 1.17% of audit fees during the year under review and 2.82% 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: 99.1, Abstain: 0.1, Oppose/Withhold: 0.9,*

### *5.A. Re-elect Leif Johansson - Chair (Non Executive)*

Chair. The Chair is not considered to be independent owing to a tenure of over nine years on the Board. In addition, it is a generally accepted norm of good practice that a Chair of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Being a non-independent Chair is considered to be incompatible with this. Oppose vote is therefore recommended.

*Vote Cast: Oppose*

*Results: For: 96.5, Abstain: 0.1, Oppose/Withhold: 3.4,*

### *5.F. Re-elect Michel Demaré - 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. An oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 97.8, Abstain: 0.1, Oppose/Withhold: 2.0,*

### *5.K. Re-elect Nazneen Rahman - Non-Executive Director*

Independent Non-Executive Director. Ms. Nazneen Rahman oversees sustainability matters on behalf of the Board of Directors, the proposed director is considered

to be accountable for the Company's sustainability programme, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.8, Abstain: 0.9, Oppose/Withhold: 0.3,

#### 6. Approve the Remuneration Report

**Disclosure:**All elements of the single total remuneration are adequately disclosed. The CEO's salary is in line with the rest of the Company as the CEO's salary do not increased for the year under review while average employee pay rose by 4.1%. However, the CEO's salary is in the upper quartile of the Company's comparator group, which raises concerns for potential excessiveness.

**Balance:**The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over five years is not commensurate with the change in TSR over the same period. PSP awards granted during the year under review are excessive, amounting to 858% of salary for the CEO. In addition, total variable pay for the year under review is highly excessive, amounting to 1068.9% of salary for the CEO. it is recommended that total variable pay is limited to 200% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 49:1, it is recommended that the ratio does not exceed 20:1.

Rating: AE

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 0.2, Oppose/Withhold: 4.6,

#### 7. Approve Remuneration Policy

**Policy Rating: ADC** Changes proposed: i) Increase the maximum PSP award to 650% of the salary from the current 550%, ii) Pension contributions of current Executive Directors will be reduced to the level of the wider workforce (11% of the salary)

Overall disclosure is acceptable. The remuneration structure tends to promote excessive payouts. Total potential awards for the CEO under all incentive schemes are excessive as these can amount to significantly more than 200% of base salary. The PSP is subject to a three-year performance period which is not sufficiently long-term, though a two year post-vesting holding period applies, which is welcomed. Performance conditions do not operate interdependently, such that no payment is made for performance unless all performance conditions are achieved. Malus and claw back provisions apply for all the variable pay. Directors may be entitled to a dividend income on share awards which are paid out at the point of vesting. 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. It is stated that the Remuneration Committee will not grant cash or share awards as a 'golden hello'. Cash or share awards granted on joining the Company will be to compensate a new recruit for loss of previous remuneration awards only. Upside discretion can be used when determining severance payments especially for the vesting of outstanding share awards. This is contrary to best practice. The Company also states that downwards discretion may be used.

Vote Cast: *Oppose*

Results: For: 58.8, Abstain: 2.2, Oppose/Withhold: 38.9,

#### 8. Approve Political Donations

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of USD 250,000( GBP 179,111). In 2020, the Group's US legal entities made contributions amounting in aggregate to USD 1,016,550 (2019: USD 1,120,525) to national political organizations, state-level political party committees and to campaign committees of various state candidates. No corporate donations were made at the federal level and all contributions were made only where allowed by US federal and state law. Although the aggregate limit sought is within acceptable limits, the company has made donations which are deemed to be political during the year. This raises concerns about the potential donation which could be made by the Company under this authority. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 0.2, Oppose/Withhold: 3.1,

#### 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*

Results: For: 97.0, Abstain: 0.4, Oppose/Withhold: 2.6,

#### 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*

Results: For: 98.0, Abstain: 0.1, Oppose/Withhold: 1.8,

#### 14. *Amend Performance Share Plan*

It is proposed to approve the amendments to the AstraZeneca Performance Share Plan 2020 (PSP). The principal changes are: i) increase of the maximum opportunity level from 550% of the salary to 650% of the salary, ii) to permit dividend equivalent payments that accrue over the vesting period which shall be reinvested in the Company's shares and iii) where a dividend is paid or payable by the Company in respect of dividend record dates between the date of grant of such awards and the date of vesting of such awards, the number of shares which are subject to such awards is notionally increased as if the dividend payable in respect of the number of shares subject to each such award were reinvested in additional shares in the Company at the time of such dividends. The proposed increase of the maximum is considered excessive at 650% of the salary and if the Annual Bonus maximum counted then total potential variable pay could reach 900% of the salary which is highly excessive. In addition, directors may be entitled to a dividend income on share awards which are paid out at the point of vesting. 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. Based on the mentioned concerns opposition is recommended.

Vote Cast: *Oppose*

Results: For: 60.3, Abstain: 2.3, Oppose/Withhold: 37.4,

### CAPITA PLC AGM - 11-05-2021

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

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary for the year under review was not increased and is in line with the workforce. CEO salary is at the median of the competitors group.

**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. The CEO was not awarded Annual Bonus and the LTIP awarded was within the recommended guidelines. The ratio of CEO pay compared to median employee pay is considered unacceptable at 41:1.

Rating: AC



Vote Cast: *Abstain*

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

### 3. Approve Remuneration Policy

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. The Company has disclosed quantified targets for performance criteria for its variable remuneration component. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

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

### 15. Reappoint KPMG LLP as Auditors

KPMG proposed. Non-audit fees represented 22.58% of audit fees during the year under review and 18.71% 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: 97.2, Abstain: 0.0, Oppose/Withhold: 2.8,

### 18. Approve Executive Plan 2021

The Board proposes the approval of the Executive Plan 2021. 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 with an additional three year holding period. The performance criteria is based on TSR and ESG components.

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

### 21. *Authorise Market Purchase of Ordinary Shares*

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

Vote Cast: *Oppose*

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

## **CENTAMIN PLC AGM - 11-05-2021**

### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

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

### 4.8. *Re-elect Dr. Catharine Farrow - Non-Executive Director*

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

Vote Cast: *Abstain*

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

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

PwC proposed. No non-audit fees were paid for the year under review and non-audit fees represents 17.29% of audit fees on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

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

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

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

Vote Cast: *Oppose*

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

#### *7.2. 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: 97.2, Abstain: 0.2, Oppose/Withhold: 2.6,

#### *8. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### **LIFESTYLE CHINA AGM - 11-05-2021**

#### *2.c. Authorise the Board to Fix Directors' Remuneration*

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*

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

PwC proposed. Non-audit fees represented 13.33% of audit fees during the year under review and 13.33% 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 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*

#### 4.a. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

#### 4.b. *Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

### **TAKKT AG AGM - 11-05-2021**

#### 5. *Appoint the Auditors: Ebner Stolz GmbH & Co. KG*

Ebner Stolz GmbH & Co. KG proposed. Non-audit fees represented 9.16% of audit fees during the year under review and 21.40% 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 ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

#### 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*

### **EDENRED SA AGM - 11-05-2021**

#### 0.1. *Approve Financial Statements and Statutory Reports*

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*

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

### *O.2. Approve Consolidated Financial Statements and Statutory Reports*

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*

Results: For: 99.9, Abstain: 0.1, Oppose/Withhold: 0.0,

### *O.6. Elect Françoise Gri - Non-Executive Director*

Senior Independent Director. Not considered independent owing to a tenure of more than nine years. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the Board.

Vote Cast: *Oppose*

Results: For: 86.7, Abstain: 0.5, Oppose/Withhold: 12.8,

### *O.10. Approve Remuneration Policy of Chairman and CEO*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw-back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 81.4, Abstain: 0.0, Oppose/Withhold: 18.6,

### *O.13. Approve Compensation Report of Corporate Officers*

It is proposed to approve the remuneration paid or due to corporate officers with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 90.9, Abstain: 0.0, Oppose/Withhold: 9.1,

### *O.14. Approve Compensation of Bertrand Dumazy, Chairman and CEO*

It is proposed to approve the remuneration paid or due to Bertrand Dumazy, Chair and CEO, with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 60.7, Abstain: 0.0, Oppose/Withhold: 39.3,

#### *O.16. Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

It is proposed to authorise the Board to purchase Company's shares for 10% and 18 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.5, Abstain: 0.0, Oppose/Withhold: 0.5,

### **3M COMPANY AGM - 11-05-2021**

#### *1.d. Elect Michael L. Eskew - Senior Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role.

Vote Cast: *Oppose*

Results: For: 90.4, Abstain: 0.3, Oppose/Withhold: 9.3,

#### *1.i. Elect Dambisa F. Moyo - 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: 98.7, Abstain: 0.3, Oppose/Withhold: 0.9,

#### *1.k. Elect Micheal F. Roman - 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. Additionally, 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, overall opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.2, Abstain: 0.5, Oppose/Withhold: 5.3,

#### *2. Ratify PricewaterhouseCoopers LLP as Auditor*

PwC proposed. Non-audit fees represented 2.62% of audit fees during the year under review and 3.89% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 93.5, Abstain: 0.2, Oppose/Withhold: 6.2,

#### *3. Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects

the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ACD. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 90.3, Abstain: 0.8, Oppose/Withhold: 8.9,

#### 4. *Approve the amendment and restatement of 3M Company 2016 Long-Term Incentive Plan*

The Company has put forward a resolution requesting shareholders to approve the amendment and restatement of 3M Company 2016 Long-Term Incentive Plan (the "Existing Plan"). The Restated Equity Plan permits the Company to Increase in the Share Reserve, Elimination of Liberal Share Recycling for Options and Stock Appreciation Rights, Increase in the Limit on Incentive Stock Options, Extend the Term, impose limitations on Dividend Payments on Unvested Awards, and Removal of Section 162(m) Provisions. The Plan is open to all employees (approximately 95,884 active employees and 11 non-employee directors) and will be administered by the Compensation Committee which has the power to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for its administration. Pursuant to the 2016 Plan, for participants other than non-employee directors, the maximum aggregate number of shares of common stock with respect to all options and stock appreciation rights that may be granted to any one person during any calendar year is 500,000 and the maximum aggregate number of shares of common stock that may be earned with respect to all restricted stock, restricted stock units, performance shares and other stock- or cash-based awards that may be granted to any one person during any calendar year is 500,000. Also, the maximum aggregate amount that may become payable pursuant to all performance bonus awards that may be paid to any one person during any calendar year is \$10,000,000. An annual limit of \$600,000 per calendar year applies to the sum of all cash and other compensation and the value of all equity, cash-based and other awards granted to a non-employee director for services as a member of the Board. The Restated Equity Plan does not provide for automatic "single-trigger" accelerated vesting upon a change in control.

It is proposed to approve a restricted share plan for employees and corporate officers. The Board would receive the authority to set beneficiaries and other conditions. After allotment, shares will be restricted for three years, which is not considered to be sufficiently long term. The Company states that exercise of shares will be based on targets, which at this time remain undisclosed.

Plans to increase employee shareholding are considered to be a positive governance practice, as they can contribute to alignment between employees and shareholders. On the other hand, executives are also among the beneficiaries: it is considered that support should not be given to stock or share option plans that do not lay out clear performance criteria, targets and conditions. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 88.6, Abstain: 0.7, Oppose/Withhold: 10.8,

### **WASTE MANAGEMENT INC AGM - 11-05-2021**

#### 1D.. *Re-elect Kathleen Mazzarella - 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: 99.0, Abstain: 0.1, Oppose/Withhold: 0.8,

#### 1G.. *Re-elect John C. Pope - Non-Executive Director*

Non-Executive Director. Not considered independent as 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: *Oppose*

Results: For: 84.2, Abstain: 0.1, Oppose/Withhold: 15.7,

*11.. Re-elect Thomas H. Weidemeyer - 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: *Oppose*

Results: For: 95.6, Abstain: 0.1, Oppose/Withhold: 4.3,

*2. Re-appoint the Auditors: Ernst & Young LLP*

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.

Vote Cast: *Oppose*

Results: For: 98.6, Abstain: 0.2, Oppose/Withhold: 1.2,

*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: ADA. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.6, Abstain: 0.3, Oppose/Withhold: 7.1,

**REC SILICON ASA AGM - 11-05-2021**

*8. Guidelines on Stipulation of Salary And Other Remuneration of 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*

*9.1. Authorization to Issue Shares*

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*

*10. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent



and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

#### *11.1. Elect Kjell Inge Røkke - Chair (Non Executive)*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Aker ASA. Mr Røkke is the main owner of Aker ASA and he is currently chairman of Aker ASA. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *11.2. Elect Annette Malm Justad*

Non-Executive Director. This Director has an attendance record of less than 90% for Board meetings which they were eligible to attend during the year. An oppose vote is therefore recommended.

*Vote Cast: Oppose*

#### *11.3. Elect Lene Landøy*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Aker BP ASA. Ms. Landøy joined Aker BP ASA in 2017 and is currently the Senior Vice President of Strategy and Business Development. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *11.4. Elect Audun Stensvold*

Non-Executive Director and member of the Audit Committee. Not considered independent as the director is considered to be connected with a significant shareholder: Aker ASA. He held various positions within the Aker group from 2006 to 2018, i.a. investment director at Aker ASA and CFO and Investment Director at Convento. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *12.1. Elect Engebret G. Hisdahl as Chair of the Nomination Committee*

Sufficient biographical information has been disclosed and the candidate is not considered to be independent, as Engebret G. Hisdahl is a member of the Nomination Committee of Aker, a substantial shareholder. There is insufficient independent representation on the Nomination Committee. Opposition is recommended.

*Vote Cast: Oppose*

#### *12.2. Elect Liv Monica Stubholdt as Member of the Nomination Committee*

Sufficient biographical information has been disclosed and the candidate is not considered to be independent, as Liv Monica Stubholdt has held several top executive positions in the Aker group of companies. There is insufficient independent representation on the Nomination Committee. Opposition is recommended.

Vote Cast: *Oppose*

### 12.3. *Elect Kjetil Kristiansen as Member of the Nomination Committee*

Sufficient biographical information has been disclosed and the candidate is not considered to be independent, as Kjetil Kristiansen has more than 20 years of experience from the Aker system, holding various roles within Human Resources. There is insufficient independent representation on the Nomination Committee. Opposition is recommended.

Vote Cast: *Oppose*

## CONOCOPHILLIPS AGM - 11-05-2021

### 1G.. *Re-elect Ryan M. Lance - 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: 94.1, Abstain: 0.7, Oppose/Withhold: 5.2,

### 1J.. *Re-elect Sharmila Mulligan - 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: 97.8, Abstain: 0.1, Oppose/Withhold: 2.0,

### 1M.. *Re-elect Robert A. Niblock - Senior Independent Director*

Lead Independent Director. Not considered independent as he has been on the board for over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role.

Vote Cast: *Oppose*

Results: For: 96.5, Abstain: 0.2, Oppose/Withhold: 3.4,

### 2. *Re-appoint the Auditors: Ernst & Young*

EY proposed. Non-audit fees represented 0.97% of audit fees during the year under review and 1.12% 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: 95.6, Abstain: 0.1, Oppose/Withhold: 4.3,

### 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: ADC. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.4, Abstain: 0.3, Oppose/Withhold: 7.3,

## HGCAPITAL TRUST PLC AGM - 11-05-2021

### 4. *Elect Richard Brooman*

Non-Executive Director and member of the Audit Committee. Not considered independent owing to a tenure of over nine years. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.8, Abstain: 0.2, Oppose/Withhold: 13.0,

### 10. *Appoint the Auditors*

Grant Thornton LLP 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: 97.0, Abstain: 0.2, Oppose/Withhold: 2.9,

### 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: 99.8, Abstain: 0.1, Oppose/Withhold: 0.0,

## CAIRN ENERGY PLC AGM - 11-05-2021

### 3. *Re-appoint PricewaterhouseCoopers LLP as auditor*

PwC proposed. Non-audit fees represented 0.69% of audit fees during the year under review and 6.86% 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 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,

### 5. *Re-elect Nicoletta Giadrossi - Chair (Non Executive)*

Independent Non-Executive Chair and chair of the nomination committee.

At this time, the company has not reported its progresses made on the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards. As chair of the nomination committee, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 79.9, Abstain: 1.8, Oppose/Withhold: 18.3,

### 11. *Re-elect Simon Thomson - 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: 95.9, Abstain: 0.3, Oppose/Withhold: 3.8,

#### *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: 94.8, Abstain: 0.0, Oppose/Withhold: 5.2,

#### *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: 98.3, Abstain: 0.1, Oppose/Withhold: 1.7,

### **TGS-NOPEC GEOPHYSICAL CO ASA AGM - 11-05-2021**

#### *11. Approve the Remuneration of the Nomination Committee (of Shareholders)*

The Board is seeking approval for remuneration of the Shareholders' Nomination Committee. 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 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 not claw back clauses in place over the entirety of the variable remuneration. Opposition is recommended based on potential excessive variable remuneration.

Vote Cast: *Oppose*

#### *14. 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*

#### *15. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

#### *17. Issue Shares for Cash*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However, the duration of the authority may exceed 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

*Vote Cast: Oppose*

### **IWG PLC AGM - 11-05-2021**

#### *1. Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

*Vote Cast: Abstain*

**Results: For: 98.3, Abstain: 1.7, Oppose/Withhold: 0.0,**

#### *3. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 27.91% of audit fees during the year under review and 12.30% 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: 98.3, Abstain: 0.0, Oppose/Withhold: 1.7,

#### 11. *Elect Douglas Sutherland - Chair*

Chair. Independent upon appointment. However, this director is no longer considered independent owing to a tenure of over nine years. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 95.1, Abstain: 0.0, Oppose/Withhold: 4.9,

#### 13. *To Authorize the Company to Hold Repurchased Shares in the Form of Treasury Shares*

The Board is seeking authority for the Company to hold as treasury shares any shares purchased or contracted to be purchased by the Company. Under Jersey law any shares repurchased (or, as the case may be, contracted to be repurchased) are automatically cancelled on repurchase unless Shareholders have authorized the holding of shares in treasury by the Company. This holding of treasury shares in this manner is pursuant to the authority granted in resolution 15. In line with the voting recommendation relating to resolution 14, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.1, Oppose/Withhold: 1.7,

#### 14. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.1, Oppose/Withhold: 1.7,

#### 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: 93.5, Abstain: 0.0, Oppose/Withhold: 6.5,

## EQUINOR ASA AGM - 11-05-2021

### 6. Approve Financial Statements

The consolidated and individual financial statements have been made available to shareholders sufficiently prior to the date of the general meeting and the auditors have not qualified their opinion. The Board also proposes to distribute a dividend of USD 0.12 per share, which is covered by earnings. It would be welcomed that the Company submitted the approval of the financial statements and the allocation of income individually, under two separate resolutions. However, no serious concerns have been identified with this.

Nevertheless, there 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. On balance, abstention is recommended.

Vote Cast: *Abstain*

### 17. Shareholder Resolution: Include nuclear in Equinor's portfolio

**Proponent's argument:** A shareholder has proposed the following resolution: "The UN states that nuclear energy meets all their sustainability goals and needs to be scaled up significantly if the global community is to meet its obligations regarding mitigation of climate change. Equinor has long been a significant supplier of energy to Europe and the world in a safe and responsible manner and now seek to divert some of its efforts towards green and sustainable alternatives for energy production. As nuclear energy so obviously demonstrates low environmental footprint compared to wind and solar energy in terms of both material and area usage, as well as being far more reliable, the time is due for Equinor to get involved with this form of energy production. Nuclear energy is growing in popularity in Norway and will be paramount for sustainable energy production in the long term. It would benefit Equinor and the global society greatly if Equinor took a leading role and initiated a Norwegian nuclear energy program implementing organization and made a commitment of including nuclear energy in its project portfolio."

**Company's response:** The board of directors recommends the general meeting to vote against this proposal. "Equinor is developing as a broad energy company and has set a clear ambition to be a leader in the energy transition, exemplified by significant investments into renewable energy sources such as wind and solar, in addition to existing business within oil and gas. There are also a number of projects for hydrogen value chains where Equinor has a strong presence. A foundation for investments into emerging energy sources is the ability to use existing competence in the company and advantages we have based on existing business. The company does not see today that we should have any specific advantages related to nuclear energy. At the same time Equinor acknowledges that the energy industry is rapidly evolving, and it is important to follow this development. The company therefore uses its venture fund to make early phase investments into various companies with the potential to implement new technologies. Among the companies Equinor has invested into is a company working on fusion energy."

**PIRC analysis:** Nuclear power is presently a sustainable energy source, but not a renewable one. The rate of power plant construction has dramatically slowed in the last few decades and since the 1950s and 1960s, when nuclear power was believed to be the energy source of the future. New nuclear plants are being built in only a few countries, most notably China, Russia, India, South Korea, United Arab Emirates, and the USA, largely due to excessive costs of capital, several risks including the problem of long-term radioactive waste disposal, and of public concern after serious nuclear plant accidents (such as those that occurred at Chernobyl or, more recently, Fukushima Daiichi). A paper published by Brook et al. on Sustainable Materials and Technologies in 2014 argued that "the least disturbing and most logical way to start reducing fossil-fuel consumption would be increasing the use of nuclear power plants for electricity supply", although the authors assumed that the replacement of the major part of the world's fossil-fuel-based electrical-energy generating capacity would be "realistic" over a time period of several decades. In addition, the use of nuclear power plants as backup for intermittent energy sources is not concluded as an economically viable option and is "arguably pointless from a climate-change mitigation perspective". On balance, while discussions over new business segments are viewed as beneficial items at a shareholders meeting, it is considered that inclusion of nuclear power among the portfolio of operations of the company should not be pursued at this time. Nuclear has high costs (in terms of assets and of gaining sufficient knowledge in the field) against long-term benefits, if any and assuming that these would outsmart the costs. Renewable energy



technology seems to be proceeding faster and allowing a faster energy transition away from fossil fuels. Also, at this time many issues around nuclear energy remain unresolved, including the risks associated with radioactive waste disposal.

*Vote Cast: Oppose*

#### *19.1. 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. The Company has disclosed quantified targets for performance criteria for the entirety of its variable remuneration component. Nevertheless, there are concerns with the structure of the policy and some of its criteria. For example, the use of TSR related to company's peers may actually provide for compensation (once passed the compensation threshold) where the company is not overperforming their peers and therefore hardly could be seen as incentivizing. This may lead to overpayment against underperformance. In addition, oil or gas price effects may impact the compensation multiplier, which sounds inconsistent with an energy transition. On balance, abstention is recommended.

*Vote Cast: Abstain*

#### *24. Authorisation to acquire Equinor ASA shares in the market for subsequent annulment*

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*

### **JUST GROUP PLC AGM - 11-05-2021**

#### *1. Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given there 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: 98.4, Abstain: 1.6, Oppose/Withhold: 0.0,

#### *2. Approve the Remuneration Report*

**Disclosure:** The single figure table has been adequately disclosed. Disclosure of performance conditions and targets for the annual bonus and LTIP is considered acceptable. Dividend equivalents paid on vested shares are not separately categorised.

**Balance:** The CEO salary is in the median of the comparator group. The changes in the CEO pay over the last five years are not considered to be in line with the Company's TSR performance over the same period. Total variable pay for the year under review is considered acceptable at 137.7% of salary. The ratio of CEO pay compared to average employee pay is acceptable at 17:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 92.3, Abstain: 1.3, Oppose/Withhold: 6.4,

### 3. *Elect John Hastings-Bass - 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: 98.0, Abstain: 1.3, Oppose/Withhold: 0.7,

### 13. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 13.64% of audit fees during the year under review and 34.79% 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*

Results: For: 98.7, Abstain: 0.0, Oppose/Withhold: 1.3,

### 18. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 96.0, Abstain: 0.0, Oppose/Withhold: 4.0,

### 19. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set

forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.6, Abstain: 0.1, Oppose/Withhold: 1.3,

## ANTOFAGASTA PLC AGM - 12-05-2021

### 1. *Approve Financial Statements*

The annual report was 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 annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks.

Vote Cast: *Abstain*

Results: For: 99.7, Abstain: 0.3, Oppose/Withhold: 0.0,

### 2. *Approve the Remuneration Report*

**Disclosure:** All aspects of the CEOs pay are adequately disclosed. Targets are disclosed and quantified for both the Annual Bonus and the performance LTIP.

**Balance:** The CEO's salary is in the lower quartile of a peer comparator group. The ratio of the CEO pay compared to average employee pay stands at 25:1 which is not considered acceptable. The total realised rewards stands at 564.84% of salary which is considered to be overly excessive. There were no payments made for loss of office during the year.

Rating: AC

Vote Cast: *Abstain*

Results: For: 97.0, Abstain: 0.3, Oppose/Withhold: 2.7,

### 4. *Elect Jean-Paul Luksic - Chair*

Chair. Not considered independent upon appointment as Mr J-P Luksic was Chief Executive Officer of Antofagasta Minerals S.A. The Luksic family controls a majority share of the voting rights of the Company through two investment vehicles, Metalinvest Establishment and Kupferberg Establishment. It is considered that the Chair should not be connected to a controlling shareholder in order to protect the rights of the minority shareholders. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 0.0, Oppose/Withhold: 4.7,

### 5. *Elect Ollie Oliveira - 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. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,

### 8. *Elect Andrónico Luksic - Non-Executive Director*

Non-Executive Director. as he is the half-brother of Jean-Paul Luksic. In addition he is the Chair of Quiñenco and holds other directorships at companies in the

Quiñenco group, a group controlled by the Luksic family. 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*

*Results: For: 98.4, Abstain: 0.1, Oppose/Withhold: 1.5,*

#### *9. Elect Vivianne Blanlot - Non-Executive Director*

Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 99.6, Abstain: 0.1, Oppose/Withhold: 0.3,*

#### *15. Appoint the Auditors*

PwC proposed. Non-audit fees represented 28.32% of audit fees during the year under review and 12.38% 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: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,*

#### *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: 98.5, Abstain: 0.0, Oppose/Withhold: 1.5,*

## 20. Authorise Share Repurchase

It is proposed to authorise the Board to purchase Company's shares for 10% and 18 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.1, Oppose/Withhold: 0.9,

## BP PLC AGM - 12-05-2021

### 1. Receive the Annual Report

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. With particular regard to the noted issues surrounding climate advertising and anti-climate lobbying, it is recommended to vote to oppose the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.8, Oppose/Withhold: 1.4,

### 2. Approve the Remuneration Report

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. Accrued dividends on vested awards are not separately categorised.

**Balance:** The CEO's salary is in the upper quartile of the Company's comparator group which raises concerns over the excessiveness of his pay. The changes in CEO pay over the last five years are considered in line with the Changes in the Company's TSR performance. Total variable pay for the year under review is also not considered excessive, amounting to 29% of salary, it is recommended that total variable pay is limited to 200% of salary. The ratio of CEO pay compared to average employee pay is acceptable at 10:1, it is recommended that the ratio does not exceed 20:1. It is however noted that the CEO has changed during the year under review, and this is not representative of a full years pay.

Rating: AC

Vote Cast: *Abstain*

Results: For: 93.4, Abstain: 1.9, Oppose/Withhold: 4.7,

### 10. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 94.4, Abstain: 0.8, Oppose/Withhold: 4.8,

### 11. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.9, Oppose/Withhold: 2.0,

### 3e. *Elect Bernard Looney - Chief Executive*

Chief Executive. Acceptable service contract provisions. It is considered that there are some serious concerns in the company's sustainability practices, particularly in regards to the support of an anti-climate lobby in contravention of the company's own policies. This is considered to be a failure for which the CEO operationally responsible. For this reason, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 0.6, Oppose/Withhold: 1.8,

### 3g. *Elect Helge Lund - Chair*

Independent Non-Executive Chair. It is considered that there are some serious concerns in the company's sustainability practices, particularly in regards to the support of an anti-climate lobby in contravention of the company's own policies. This is considered to be a failure in oversight of the company, for which the chair is considered to be ultimately responsible. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.6, Oppose/Withhold: 2.3,

### 3h. *Elect Melody Meyer - Non-Executive Director*

Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 97.5, Abstain: 1.8, Oppose/Withhold: 0.7,

## CONTOURGLOBAL PLC AGM - 12-05-2021

### 1. *Accept Financial Statements and Statutory Reports*

The annual report was 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 annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks.

Vote Cast: *Abstain*

Results: For: 99.8, Abstain: 0.2, Oppose/Withhold: 0.0,

### 2. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw

back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets 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: 99.0, Abstain: 0.4, Oppose/Withhold: 0.7,*

### *3. Approve the Remuneration Report*

The CEO's salary did not increase in the year under review. The CEO's salary is at the top of PIRC's comparator group which raises concerns over excessive salary payments. Performance conditions and targets past targets are suitably disclosed for the annual bonus and LTIP. Face values of LTIP awards for the CEO has been disclosed. However, no LTIP vested during the year. The balance of CEO pay with change in TSR is not considered acceptable over a two-year period. Total variable remuneration is considered acceptable at 85.3% of base salary. The pay ratio between the CEO and average employee is considered excessive at 48:1. On balance, abstention is recommended.

Rating: AC

*Vote Cast: Abstain*

*Results: For: 99.6, Abstain: 0.2, Oppose/Withhold: 0.2,*

### *4. Elect Craig A. Huff - Chair*

Chairman. Not independent upon appointment, as Mr Huff is co-founder of Contour Global, and remains the Chairman. Mr Huff has been appointed to the Board under a relationship agreement with Reservoir Capital, the controlling shareholder. In addition, he is the Chairman of the Nomination Committee and no target has been set to increase the level of female representation on the Board, which is currently insufficient at 12.5%.

*Vote Cast: Oppose*

*Results: For: 91.2, Abstain: 0.0, Oppose/Withhold: 8.8,*

### *7. Elect Gregg M. Zeitlin - Non-Executive Director*

Non-Executive Director. Not considered independent as Mr Huff Zeitlin been appointed to the Board under a relationship agreement with Reservoir Capital, the controlling shareholder. He has also served on the Board for over nine years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*Results: For: 99.1, Abstain: 0.0, Oppose/Withhold: 0.9,*

### *8. Elect Alejandro Santo Domingo - Non-Executive Director*

Non-Executive Director. Not considered independent as he has interests in, and holds management positions in, a number of Santo Domingo family affiliated entities and the Santo Domingo family has entered into a shareholder agreement with the Company in respect of its minority investment in Brazil Hydro Portfolio I, Brazil Hydro Portfolio II and Solutions Brazil. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*Results: For: 97.9, Abstain: 0.0, Oppose/Withhold: 2.1,*

### *13. Appoint the Auditors*

PwC proposed. Non-audit fees represented 26.09% of audit fees during the year under review and 28.95% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than 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: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

#### *17. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such a proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 97.4, Abstain: 0.0, Oppose/Withhold: 2.6,

#### *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: 99.2, Abstain: 0.0, Oppose/Withhold: 0.7,

### **CGG SA AGM - 12-05-2021**

#### *O.9. Approve Compensation of Report of Corporate Officers*

It is proposed to approve the remuneration paid or due to Corporate Officers with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment



against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *O.11. Approve Compensation of Sophie Zurquiyah, CEO*

It is proposed to approve the implementation of the remuneration report for the CEO. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *O.14. Approve Remuneration Policy of CEO*

It is proposed to approve the remuneration policy for the CEO. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

#### *O.15. Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

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*

#### *E.18. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 711,393.50*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

*Vote Cast: Oppose*

#### *E.19. Approve Issue of Shares for Private Placement*

The Board requests authority to approve an authority for the issue of shares by private placement. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

*Vote Cast: Oppose*

#### *E.21. Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Under Items 17-18-19*

In addition to the share issuance authorities sought above, the Board requests shareholder authority for a capital increase of additional 15%, in case of exceptional demand.

A green shoe authorisation enables an authorization of additional shares in the event of exceptional public demand. In this case, the authorization would increase allow the placement of up to 15% additional new shares within a thirty day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

*Vote Cast: Oppose*

#### *E.22. Authorize Capital Issuances for Use in Employee Stock Purchase Plans*

Authority for a capital increase for up to 2% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

*Vote Cast: Oppose*

### **CASINO GUICHARD PERRACHON SA AGM - 12-05-2021**

#### *O.1. Approve Financial Statements and Statutory Reports*

At this time, the Company has not published an English language version of the Reference Document, which is regrettable as the Company is a large entity as defined by the EU Audit Directive, which has legislative relevance for the European Economic Area (EEA). Although there is no legal obligation in this market, it is considered that larger entities should publish also an English language version of their annual report, for consideration by international investors. On this basis, abstention is recommended. However, as abstain is not a valid voting option for this meeting, opposition is recommended.

*Vote Cast: Oppose*

#### *O.4. Approve Compensation Report of Corporate Officers*

It is proposed to approve the implementation of the remuneration report. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

*Vote Cast: Oppose*

#### *O.5. Approve Compensation of Chairman and CEO*

It is proposed to approve the implementation of the remuneration report. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been

calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

*Vote Cast: Oppose*

#### *O.6. Approve Remuneration Policy of Chairman and CEO*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw-back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

#### *O.8. Elect Nathalie Andrieux - 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*

#### *O.12. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

#### *E.14. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 16.5 Million*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

*Vote Cast: Oppose*

#### *E.15. Approve Issue of Shares for Private Placement*

The Board requests authority to approve an authority for the issue of shares by private placement. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

*Vote Cast: Oppose*

#### *E.17. Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Under Items 13-16*

In addition to the share issuance authorities sought above, the Board requests shareholder authority for a capital increase of additional 15%, in case of exceptional

demand.

A green shoe authorisation enables an authorization of additional shares in the event of exceptional public demand. In this case, the authorization would increase allow the placement of up to 15% additional new shares within a thirty day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

*Vote Cast: Oppose*

#### *E.22. Authorize Capital Issuances for Use in Employee Stock Purchase Plans*

Authority for a capital increase for up to 1.1% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

*Vote Cast: Oppose*

### **SECURE TRUST BANK PLC AGM - 12-05-2021**

#### *10. Appoint the Auditors: Deloitte LLP*

Deloitte proposed. Non-audit fees represented 22.12% of audit fees during the year under review and 37.64% 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*

#### *13. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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*

#### *15. Issue Shares with Pre-emption Rights (AT1)*

Shareholder approval is being sought to authorize the Board to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of GBP 2,484,488 in connection with the issue of Additional Tier 1 Securities ('AT1 Securities'), representing approximately 33% of the issued ordinary share capital of the Company, excluding treasury shares, as at 29 March 2021 with pre-emption rights. This authority expires at next AGM and is in addition to the authority in resolution 14.

The use of convertible Securities is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. These securities are relatively new instruments and there are concerns that they may create a situation which whilst converting some debt to equity actually disincentives equity investors from putting more new funds in the banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily

accrue to shareholders. Past events at Deutsche Bank has led to others voicing their concerns about the destabilizing effect of convertible securities on both their own price and the share price. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

#### *17. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

*Vote Cast: Oppose*

#### *18. Authorise the Board to Waive Pre-emptive Rights (AT1)*

The authority sought is limited to 10% of the Company's issued share capital and expires at the next AGM. This exceeds the recommended 5% maximum. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *19. Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

### **ALLIED MINDS PLC AGM - 12-05-2021**

#### *1. Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to oppose the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

*Vote Cast: Oppose*

*Results: For: 97.5, Abstain: 1.8, Oppose/Withhold: 0.7,*

#### *2. Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The CEO's salary is in the upper quartile of PIRC's comparator group. Additionally, the CEO's salary increase was higher than that of the employees. This disproportional increase is happen because the CEO is newly promoted in the

position during the year 2019. It is noted that the remuneration report registered a significant number of oppose votes at approximately 37.25% at the 2020 AGM which has been appropriately addressed.

**Balance:** Changes in the CEO pay over the last five years are not in line with the changes in Company's TSR performance over the same period. The CEO's variable pay for the year under review is acceptable at below 200% of salary and stands at 75% for the Annual Incentive and 0% for the phantom plan. No LTIP vested during the year. The ratio of CEO pay compared to average employee pay is considered acceptable at 5:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 60.0, Abstain: 1.8, Oppose/Withhold: 38.2,

#### 5. *Elect Harry Rein - Chair (Non Executive)*

Independent Non-Executive Director. 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 the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 52.9, Abstain: 0.0, Oppose/Withhold: 47.1,

#### 10. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such 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: 61.2, Abstain: 1.1, Oppose/Withhold: 37.7,

#### 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*

Results: For: 98.2, Abstain: 1.1, Oppose/Withhold: 0.7,

### FBD HOLDINGS AGM - 12-05-2021

#### 2. *Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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*

### *3. 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*

### *4.1. Re-elect Richard Pike - 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*

### *9. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares up to 10% 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*

## **NELLY GROUP AB AGM - 12-05-2021**

### *8. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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.a. Elect Christoffer Haggblom*

Non-Executive Director and member of the Audit Committee. Not considered to be independent as he is Founder and Managing Partner of Rite Ventures, a significant shareholder. The Board considers the director to be "independent of the company and executive management but not independent of major shareholders". It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

*13.b. Elect Mathias Pedersen*

Chair (Non Executive) and member of the Audit Committee. Not considered independent as the director was previously employed by the Company as Chief Executive Officer. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

*13.d. Elect Josephine Salenstedt*

Non-Executive Director, member of the Remuneration Committee. Not considered independent as the director is considered to be connected with a significant shareholder: Rite Ventures. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

*14. Elect Mathias Pedersen as Chairman of the Board*

Chair (Non Executive) and member of the Audit Committee. Not considered independent as the director was previously employed by the Company as Chief Executive Officer. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

*15. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 8.33% of audit fees during the year under review and 71.43% 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 ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Oppose*

*16. Approve the Guidelines for the Appointment of the Nomination Committee*

The Nomination Committee will consist of at least three members appointed by the largest shareholders of the company who have wished to appoint a member. The Chairman of the Board will also be a member of the Committee, and will act as its convenor. The members of the Committee will appoint the Committee's Chairman at their first meeting. As it is not explicitly stated that the Chairman of the Board may not be the Chair of the Committee, the current guidelines may result in a composition of the Committee not in line with local corporate governance recommendations.

*Vote Cast: Oppose*



*18. The Board's proposal for a resolution regarding authorisation for the Board to resolve on new issues of ordinary shares*

Authority is sought to issue shares without pre-emptive rights to an amount of more than 10% of the share capital, which is deemed excessive. Opposition is recommended.

Vote Cast: *Oppose*

**KINDER MORGAN INC AGM - 12-05-2021**

*1.1. Elect Richard D. Kinder - 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 and holding an executive position is incompatible with this. In addition, 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 the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 94.3, Abstain: 0.2, Oppose/Withhold: 5.6,

*1.4. Elect Ted A. Gardner - Non-Executive Director*

Non-Executive Director. Not considered independent owing to an aggregate tenure of over nine years. Mr. Gardner was a director of the Company's predecessor from 1999 to 2007 and served as a director of Kinder Morgan Management, LLC and Kinder Morgan G.P. from July 2011 to November 2014, where he was elected the Company's Board in December 2014. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 84.9, Abstain: 0.2, Oppose/Withhold: 14.9,

*1.5. Elect Anthony W. Hall Jr. - Non-Executive Director*

Non-Executive Director. Not considered independent owing to an aggregate tenure of over nine year as Mr. Hall served as a director of El Paso Corporation from 2001 until its acquisition by the Company in 2012. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 89.1, Abstain: 0.2, Oppose/Withhold: 10.7,

*1.6. Elect Gary L. Hultquist - Non-Executive Director*

Not considered independent owing to an aggregate tenure of over nine years as Mr. Hultquist served as a director of Kinder Morgan G.P. from October 1999 and of Kinder Morgan Management, LLC from February 2001 until he joined the Board of the Company in December 2014. There is insufficient independent representation on the Board. In addition, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.2, Oppose/Withhold: 1.8,

#### 1.7. *Elect Ronald L. Kuehn Jr. - Non-Executive Director*

Non-Executive Director. Not considered independent owing to an aggregate tenure of over nine years as Mr Kuehn was a director of El Paso Pipeline GP Company, L.L.C. from August 2007 until its acquisition by the Company in November 2014. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 89.1, Abstain: 0.2, Oppose/Withhold: 10.7,

#### 1.8. *Elect Deborah A. Macdonald - Non-Executive Director*

Non-Executive Director. Not considered independent as she is the former Vice President of the Company from June 2002 to September 2005. There is insufficient independent representation on the Board. In addition, it is noted that the director is the Chair of the Compensation committee and a member 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: 96.5, Abstain: 0.2, Oppose/Withhold: 3.3,

#### 1.9. *Elect Michael C. Morgan - Lead Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. He also previously held executive positions at the Company and the Company's subsidiaries. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. 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. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.9, Abstain: 0.2, Oppose/Withhold: 2.9,

#### 1.10. *Elect Arthur C. Reichstetter - 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. In addition, it is noted that the director is a member 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: 98.2, Abstain: 0.2, Oppose/Withhold: 1.6,

#### 1.11. *Elect C. Park Shaper - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Furthermore, he is a former President of the Company from May 2005 to March 2013. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 91.4, Abstain: 0.2, Oppose/Withhold: 8.4,

#### 1.12. *Elect William A. Smith - 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. In addition, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.9, Abstain: 0.2, Oppose/Withhold: 1.9,

### 1.13. *Elect Joel V. Staff - 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. In addition, it is noted that the director is the Chair of the Audit committee and a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.3, Abstain: 0.2, Oppose/Withhold: 2.5,

### 1.14. *Elect Robert F. Vagt - 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. In addition, it is noted that the director is a member 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: 89.3, Abstain: 0.2, Oppose/Withhold: 10.5,

### 1.15. *Elect Perry M. Waughtal - 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. In addition, it is noted that the director is a member 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: 98.2, Abstain: 0.2, Oppose/Withhold: 1.7,

## 2. *Amend Existing Omnibus Plan*

It is proposed to amend the 2021 Stock Incentive Plan. The Board have proposed the following amendments to the plan: provide an additional 30,000,000 shares of common stock that may be issued under the plan. The plan is designed to increase the ownership of employees of common stock through the grant of stock options, restricted stock, restricted stock units, or RSUs, stock appreciation rights, or SARs, and other awards, while rewarding employees for the creation of stockholder value. The fully amended proposal of the plan is available on page 50 of the Proxy Statement.

There are concerns with the Plan as the it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, maximum award limits are excessive. As a result, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.7, Abstain: 0.3, Oppose/Withhold: 5.0,

## 3. *Ratify PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 4.89% of audit fees during the year under review and 3.71% 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: 0.2, Oppose/Withhold: 3.2,

#### 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: EDA. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.1, Abstain: 0.5, Oppose/Withhold: 4.4,

### **SIMON PROPERTY GROUP INC. AGM - 12-05-2021**

#### 1.a. *Elect Glyn F. Aeppel - 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: 97.6, Abstain: 0.2, Oppose/Withhold: 2.2,

#### 1.b. *Elect Larry C. Glasscock - Senior Independent Director*

Lead Independent Director. Not considered to be independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition the Lead Independent is a member of the Audit Committee. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless of the independent representation on the Board as a whole, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.7, Abstain: 0.2, Oppose/Withhold: 4.1,

#### 1.c. *Elect Karen N. Horn - 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. Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 84.6, Abstain: 0.2, Oppose/Withhold: 15.2,

#### 1.d. *Elect Allan Hubbard - 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: 94.7, Abstain: 0.2, Oppose/Withhold: 5.1,

### 1.e. *Elect Reuben S. Leibowitz - Non-Executive Director*

Non-Executive Director and member of the Audit Committee. Not considered to be independent owing to a tenure of over nine years. It is considered that the Audit Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless of the independent representation on the Board as a whole, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.4, Abstain: 0.2, Oppose/Withhold: 7.4,

### 1.h. *Elect Daniel C. Smith - 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: 96.5, Abstain: 0.2, Oppose/Withhold: 3.3,

### 1.i. *Elect J. Albert Smith Jr. - 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: 87.1, Abstain: 0.2, Oppose/Withhold: 12.7,

### 3. *Ratify Ernst & Young LLP as Auditors*

EY proposed. Non-audit fees represented 7.63% of audit fees during the year under review and 6.34% 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: 98.7, Abstain: 0.1, Oppose/Withhold: 1.2,

## RENTOKIL INITIAL PLC AGM - 12-05-2021

### 2. *Approve Remuneration Policy*

**Policy Rating: BCC** Changes proposed: i) Annual Bonus, will be simplified by separating the personal performance element from the financial element. ii) Performance Share Plan (PSP), Annual share awards under the PSP will be increased from 250% to 375% for the CEO and from 200% to 300% for the CFO, iii) The threshold vesting level will reduce to 20% from 25%. This will mean that the proposed increase in the PSP will only be realized for delivering outperformance, as this change reduces the value at threshold to a level similar to that of the current Policy, iv) Pension contribution for new Executives will be aligned with the workforce (currently 3% of the salary) and v) Post-cessation guidelines will be introduced which will normally require Executive Directors to hold shares, for two years post-cessation, to the value of the shareholding guideline that applied at the cessation of their employment.

Total potential variable pay could reach 555% of the salary for the CEO and 480% of the salary for the CFO and is deemed excessive since is higher than 200%. For the Annual Bonus the separation of the personal element for the financial element means that the personal performance element will operate independently rather than acting as a modifier, which is welcomed. However 40% of the Bonus is defer to shares for a three year period, this is not considered adequate, it would be preferable 50% of the Bonus to defer to shares for at least three years. On the Personal Share Plan the performance period is three years which is not considered sufficiently long-term, however a two-year holding period apply which is welcomed. In addition, the remuneration committee will not used the the proposed Policymaximums in

2021. The increase will be phased with the CEO receiving an award of 325% in 2021 and our CFO receiving an award at the current Policy level of 200%. Although the phased increase in the maximum opportunity for the Executives is welcomed, still the limits used are excessive since they are higher than 200%. Directors may be entitled to a dividend income on share awards which are paid out at the point of vesting. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. Malus and clawback provisions apply to all variable pay.

Vote Cast: *Abstain*

Results: For: 76.9, Abstain: 0.6, Oppose/Withhold: 22.5,

### 3. *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. The CEO salary is on the lower quartile of the competitor group.

**Balance:**The balance of CEO realized pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. Total realized rewards under all incentive schemes are considered excessive at 485.7% of base salary, however, it is noted that no annual bonus was paid for the year under review. The ratio of CEO pay compared to the average employee is considered excessive at 27:1

Rating: AC

Vote Cast: *Abstain*

Results: For: 96.4, Abstain: 0.8, Oppose/Withhold: 2.9,

### 4. *Amend Performance Share Plan*

It is proposed to amend the Performance Share Plan of the company. The Performance Share Plan was first approved by shareholders at the AGM in 2016 and subsequently amended at the AGM in 2018. It is proposed that the individual limit in the 2016 PSP Rules be changed to mirror the proposals in the new Directors' Remuneration Policy (the Policy), referred to under resolution 2 above. This means the annual individual limit in the 2016 PSP Rules will be increased to 375% of the salary of that individual (up from 250%) and the 300% limit in exceptional circumstances will be removed. The proposed increase of the limit is considered excessive, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 75.6, Abstain: 0.0, Oppose/Withhold: 24.4,

### 11. *Re-elect Julie Southern - Non-Executive Director*

Independent 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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.0, Oppose/Withhold: 2.3,

### 14. *Appoint PricewaterhouseCoopers LLP as Auditors*

PwC proposed as new auditor in replacement of KPMG. 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*

Results: For: 99.4, Abstain: 0.0, Oppose/Withhold: 0.5,

#### 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: 97.3, Abstain: 0.4, Oppose/Withhold: 2.4,

#### 20. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.1, Oppose/Withhold: 0.9,

### **CINEWORLD GROUP PLC AGM - 12-05-2021**

#### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 99.0, Abstain: 0.9, Oppose/Withhold: 0.0,

## 2. Approve Remuneration Policy

**Policy Rating: BDC** Changes proposed: i) Executive Directors will receive a pension contribution (or cash in lieu) aligned with that of employees in their country of residence, ii) The remuneration committee will have the discretion to override formulaic outturns under the variable pay arrangement, iii) A two year holding period is incorporated in the LTIP award, iv) Shareholding guidelines have been increased to 200% of salary (from 150% of salary) for each Executive Director and, v) Malus and clawback have been extended.

The maximum potential variable award could stand higher than 200% of base salary since the Annual Bonus has a maximum opportunity of 150% of the salary and the 2021 LTIP award will have for each of Mr. Moshe Greidinger and Mr. Israel Greidinger is an award over 1.25% of the issued share capital, and for each of Mr. Nisan Cohen and Ms. Renana Teperberg an award over 0.4% of the issued share capital. The company states that the bonus will be paid in cash save for any bonus earned above 100% of salary which will be deferred into shares for a period of two years. While a deferral is welcomed, best practice would be for at least half of the bonus to be deferred into shares for at least for over two years. The use of only financial performance indicators for the variable plans are not considered adequate. Best practice is to operate at least two different performance conditions interdependently, with at least one of the metric being linked to non-financial indicators. 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. On termination, upside discretion could be used by the committee when determining severance payments under the different incentive plans

Vote Cast: *Oppose*

Results: For: 72.3, Abstain: 1.9, Oppose/Withhold: 25.8,

## 3. Approve the Remuneration Report

**Disclosure:**All elements of each director's cash remuneration and pension contribution are disclosed. The CEO salary is in line with the workforce as the CEO salary did not increase for the year under review. The CEO salary for the year under review is considered to be around the median range of a peer comparator group.

**Balance:** Changes in CEO pay over the last five years are not considered in line with Company's financial performance over the same period. For the year under review no variable pay (Annual Bonus or LTIP) was paid which is commendable. The ratio of CEO to average employee pay has been estimated at 103:1 and is not acceptable, it is suggested that the pay ratio to be at 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 72.2, Abstain: 2.8, Oppose/Withhold: 25.0,

## 4. Re-Elect Alicja Kornasiewicz - 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*

Results: For: 94.9, Abstain: 0.9, Oppose/Withhold: 4.2,

## 10. Re-elect Dean Moore - Senior Independent Director

Senior Independent Director. Not considered independent as the director was employed from the company as interim CFO from March 2016 until January 2017. It is considered that a Senior Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 84.3, Abstain: 1.9, Oppose/Withhold: 13.8,



#### 11. *Re-elect Scott S. Rosenblum - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years since the director was in the Board of Cinema City International (CCI) since 2004. CCI was merged with the company and then the director was appointed in the Board. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.3, Abstain: 0.0, Oppose/Withhold: 2.7,

#### 15. *Re-appoint PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 26.09% of audit fees during the year under review and 15.38% 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*

Results: For: 99.0, Abstain: 0.0, Oppose/Withhold: 1.0,

#### 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: 85.8, Abstain: 0.0, Oppose/Withhold: 14.2,

#### 20. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,

## MARSHALLS PLC AGM - 12-05-2021

### 2. *Re-appoint Deloitte LLP as Auditors*

Deloitte proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 99.3, Abstain: 0.7, Oppose/Withhold: 0.0,

### 10. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary increase by 2.7% as the workforce salary. The CEO's salary is in the median of the Company's comparator group

**Balance:**The changes in the CEO pay over the last five years are in line with the Company's TSR performance over the same period. Total variable pay for the year under review is excessive at 225% of salary, it is recommended that variable pay is limited to 200% of salary. The ratio of CEO pay compared to average employee pay is acceptable at 13:1

Rating: 13:1

Vote Cast: *Abstain*

Results: For: 96.9, Abstain: 0.9, Oppose/Withhold: 2.2,

### 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: 96.4, Abstain: 0.0, Oppose/Withhold: 3.6,

### 14. *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: 98.1, Abstain: 0.1, Oppose/Withhold: 1.8,

## ROBERT WALTERS PLC AGM - 12-05-2021

### 1. *Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, the Company failed to disclose targets for the proportion of women on the Board. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.8, Abstain: 0.2, Oppose/Withhold: 1.0,

### 8. *Elect Tanith Dodge - 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: 99.8, Abstain: 0.2, Oppose/Withhold: 0.0,

### 14. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

## SPIRAX-SARCO ENGINEERING PLC AGM - 12-05-2021

### 2. *Approve the Remuneration Report*

**Disclosure:**All elements of each director cash remuneration are disclosed. Pension contributions and entitlements are fully disclosed. CEO salary increase for the year under review was 2.9% and is in line with the workforce. The CEO's salary is considered to be in the lower quartile of PIRC's comparator group.

**Balance:**The changes in CEO pay over the last five years are in line with the changes in Company's TSR performance over the same period. The CEO's total realized awards under all incentive schemes during the year amounts to 238% of salary (Annual bonus: 45% : PSP: 193%), which is excessive. The ratio between the CEO pay and the average employee pay is not acceptable at 21:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 94.3, Abstain: 1.7, Oppose/Withhold: 4.0,

### 4. *Reappoint Deloitte LLP as Auditors*

Deloitte proposed. Non-audit fees represented 5.26% of audit fees during the year under review and 1.75% 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: 99.6, Abstain: 0.4, Oppose/Withhold: 0.0,

**20. Authorise Market Purchase of Ordinary Shares**

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.3, Oppose/Withhold: 0.7,

**CREDIT AGRICOLE SA AGM - 12-05-2021**

**O.14. Elect Olivier Auffray - Non-Executive Director**

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. He is Chair of several boards within the Credit Agricole Group. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 86.2, Abstain: 0.6, Oppose/Withhold: 13.2,

**O.16. Elect Louis Tercinier - Non-Executive Director**

Non-Executive Director. Not considered independent as he is the Chair of Caisse régionale Charente-Maritime Deux-Sèvres, a subsidiary of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 79.8, Abstain: 0.5, Oppose/Withhold: 19.7,

**O.19. Elect Nicole Gourmelon - Non-Executive Director**

Non-Executive Director. Not considered independent as the director was previously Chair of CA Assurance and a director of Credit Agricole CIB. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 81.3, Abstain: 0.5, Oppose/Withhold: 18.2,

**O.17. Elect Raphael Appert - Vice Chair (Non Executive)**

Non-Executive Director. Not considered independent as the director is the representative of SAS Rue La Boétie, a significant shareholder. He holds other positions within the Group. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 87.7, Abstain: 0.6, Oppose/Withhold: 11.7,

**O.18. Ratify Appointment of Nicole Gourmelon as Director**

Non-Executive Director. Not considered independent as the director was previously Chair of CA Assurance and a director of Credit Agricole CIB. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 87.6, Abstain: 0.5, Oppose/Withhold: 11.8,

*O.21. Approve Remuneration Policy of CEO*

It is proposed to approve the remuneration policy of CEO. 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: 92.9, Abstain: 0.6, Oppose/Withhold: 6.5,

*O.22. Approve Remuneration Policy of Vice-CEO*

It is proposed to approve the remuneration policy of Vice-CEO. 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: 92.9, Abstain: 0.6, Oppose/Withhold: 6.5,

*O.28. Approve the Aggregate Remuneration Granted in 2020 to Senior Management, Responsible Officers and Regulated Risk-Takers*

It is proposed to approve the implementation of the remuneration report. 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: 97.6, Abstain: 0.6, Oppose/Withhold: 1.8,

*O.29. Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.5, Oppose/Withhold: 1.2,

*E.32. Authorize Capital Issuances for Use in Employee Stock Purchase Plans*

Authority for a capital increase for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.5, Oppose/Withhold: 1.9,

*E.33. Authorize Capital Issuances for Use in Employee Stock Purchase Plans Reserved for Employees of the Group Subsidiaries*

Authority for a capital increase for up to 2% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market

share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

*Vote Cast: Oppose*

*Results: For: 97.6, Abstain: 0.5, Oppose/Withhold: 1.9,*

## **STANDARD CHARTERED PLC AGM - 12-05-2021**

### *17. Re-appoint Ernst & Young LLP as Auditors*

EY proposed. Non-audit fees represented 12.44% of audit fees during the year under review and 6.69% 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: 0.0, Oppose/Withhold: 0.8,*

### *20. Approve Standard Chartered Share Plan*

It is proposed to approve the Standard Chartered Share Plan which expires in 2021. Under the plan eligible to participate are all employees including executive directors, senior management and other key employees, at the discretion of the Standard Chartered PLC Remuneration Committee. The Plan will continue to operate within the overall new issue limits (for example, a maximum of five per cent of new issue shares in any rolling ten-year period) and no employee share plan awards, whether satisfied by new issue or existing shares, shall be granted in excess of 10% of the ordinary share capital of the Company. Awards made under the Share Plan to executive directors will typically be subject to performance conditions save in respect of the portion of their annual incentive award that is deferred into shares or otherwise in exceptional circumstances (e.g. as part of recruitment). The Remuneration Committee will determine any performance conditions that should apply to awards and maximum grant levels for any given population or participants before each grant at its discretion. After allotment, shares will be restricted for three years, which is not considered to be sufficiently long term. The Company states that exercise of shares will be based on targets, which at this time remain undisclosed.

Plans to increase employee shareholding are considered to be a positive governance practice, as they can contribute to alignment between employees and shareholders. On the other hand, executives are also among the beneficiaries: it is considered that support should not be given to stock or share option plans that do not lay out clear performance criteria, targets and conditions. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.0, Oppose/Withhold: 1.3,

*22. Extend the Authority to Allot Shares by Such Number of Shares Repurchased by the Company under the Authority Granted Pursuant to Resolution 27*

It is proposed to extend the authority to issue shares for cash up to 10% of the issued share capital (as permitted by Hong-Kong Listing Rules and which is included in the resolution 20) by authorising the Board to issue shares repurchased by the Company under resolution 27. This represents an additional 10% of the issued share capital and is considered excessive. It is noted that this extension would not result in the authority to allot shares or grant rights to subscribe for or convert securities into shares pursuant to resolution 20 exceeding two-thirds of the issued share capital. The authority and limits given through resolution 20 are considered sufficient and an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 97.2, Abstain: 0.3, Oppose/Withhold: 2.5,

*23. Authorize Issue of Equity in Relation to Equity Convertible Additional Tier 1 Securities*

Authority to allot Equity Convertible Additional Tier 1 Securities (ECAT1s), or shares issued upon conversion or exchange of ECAT1s, up to an aggregate nominal amount of USD 312,143,771.50 (or 624,287,543 shares), representing approximately 20% of the Company's issued ordinary share capital. This authority expires at next AGM.

The use of Contingent Convertible Securities or CoCos is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. CoCos are relatively new instruments and there are concerns that CoCos may create a situation which whilst converting some debt to equity actually disincentives equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Recent events at Deutsche Bank has led to others voicing their concerns about the destabilising effect of CoCos on both the CoCo price and the share price. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.6, Abstain: 0.3, Oppose/Withhold: 1.1,

*25. 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: 97.5, Abstain: 0.3, Oppose/Withhold: 2.2,

*26. Authorize Issue of Equity without Pre-emptive Rights in Relation to Equity Convertible Additional Tier 1 Securities*

Authority to allot Equity Convertible Additional Tier 1 Securities ECAT1s, or shares issued upon conversion or exchange of ECAT1s, for cash up to 20% of the Company's issued ordinary share capital. This authority expires at next AGM. In line with the vote recommendation for resolution 23, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.3, Oppose/Withhold: 1.6,

*27. Authorize Market Purchase of Ordinary Shares*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set

forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 98.7, Abstain: 0.2, Oppose/Withhold: 1.0,*

## **VESUVIUS PLC AGM - 12-05-2021**

### *12. Appoint the Auditors*

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: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,*

### *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: 94.6, Abstain: 0.0, Oppose/Withhold: 5.4,*

### *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: 99.6, Abstain: 0.1, Oppose/Withhold: 0.3,

## ULTRA ELECTRONICS HOLDINGS PLC AGM - 12-05-2021

### *2. Approve Remuneration Report*

Increase in CEO salary is considered in line with the rest of the company. The CEO's salary is in the median quartile of PIRC's comparator group. Performance conditions and past targets are disclosed for both components of variable remuneration. Total realised pay under variable remuneration amounted to approximately 339% of base salary and is considered excessive. CEO pay compared to the average employee is not considered acceptable at 29:1.

Rating: AD

Vote Cast: *Oppose*

Results: For: 89.2, Abstain: 9.4, Oppose/Withhold: 1.4,

### *12. Reappoint Deloitte LLP as Auditors*

Deloitte proposed. Non-audit fees represented 0.21% of audit fees during the year under review and 0.69% 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: 0.0, Oppose/Withhold: 2.5,

### *16. Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 93.7, Abstain: 0.1, Oppose/Withhold: 6.2,

### *17. 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: 1.1,

## POWER ASSETS HOLDINGS LTD AGM - 12-05-2021

### *3.b. Elect Ralph Raymond Shea*

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*

### *4. Approve KPMG as Auditor and Authorize Board to Fix Their Remuneration*

KPMG proposed. Non-audit fees represented 33.33% of audit fees during the year under review and 66.67% 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.

Vote Cast: *Oppose*

### *6. Authorize Repurchase of Issued Share Capital*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

## ENI SPA AGM - 12-05-2021

### *1. Accept Financial Statements and Statutory Reports*

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*

### *5. Integrate Board of Internal Statutory Auditors: Elect one Alternate Auditor*

It is proposed to elect one alternate statutory auditor, to replace Mr. Maglio who will become standing auditor at the meeting. The candidate was not made available at this time, although these items are normally not controversial. Statutory auditors have stricter independence requirements than directors and must be certified accountants. Nevertheless, it is considered that shareholders should not support those items where insufficient information is available in order to make an informed assessment. Abstention is recommended.

Vote Cast: *Abstain*

#### *6. 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*

#### *7. Approve the Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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*

### **JUST EAT TAKEAWAY.COM N.V. AGM - 12-05-2021**

#### *2.b. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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: Oppose*

#### *2.c. Adopt Financial Statements and Statutory Reports*

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*

#### *6. Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 175.00% of audit fees during the year under review and 74.83% 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*

#### 8. *Authorize Board to Exclude Preemptive Rights from Share Issuances*

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*

#### 9. *Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

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*

### ENQUEST PLC AGM - 12-05-2021

#### 1. *Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, the Company failed to disclose targets for the proportion of women on the Board. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 97.1, Abstain: 1.7, Oppose/Withhold: 1.2,

#### 4. *Elect Martin Houston - Chair (Non Executive)*

Chair of the Nomination Committee and no target has been set to increase the level of female representation on the Board, which currently falls below the recommended 33% target. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 91.9, Abstain: 4.0, Oppose/Withhold: 4.1,

#### 14. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 92.6, Abstain: 2.9, Oppose/Withhold: 4.5,

#### 15. *Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 60,000. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the aggregate total amount exceeds recommended limits. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 97.7, Abstain: 1.7, Oppose/Withhold: 0.7,

**18. Authorise Share Repurchase**

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.0, Oppose/Withhold: 1.7,

**CONDUIT HLDGS LTD AGM - 13-05-2021**

**2. Elect Neil Eckert - 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*

**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*

**CHINA UNICOM (HONG KONG) LTD AGM - 13-05-2021**

**3.1.C. Elect Wong Wai Ming**

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*

**3.1.D. Elect Timpson Chung Shui Ming - 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*

### *3.II. Authorise the Board to Fix Directors' Remuneration*

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*

### *4. Appoint the Auditors and Allow the Board to Determine their Remuneration*

KPMG proposed. Non-audit fees represented 0.89% of audit fees during the year under review and 1.65% 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*

### *5. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

### *6. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

### *7. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

## **LUCECO PLC AGM - 13-05-2021**

### *1. Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of

non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

*Vote Cast: Abstain*

*Results: For: 99.7, Abstain: 0.3, Oppose/Withhold: 0.0,*

### *3. Approve the Remuneration Report*

All elements of the Single Total Remuneration Table are adequately disclosed. The CEO's salary is in the lower quartile of the Company's comparator group. The balance of CEO realised pay with financial performance is not considered acceptable. The total realised rewards under all incentive scheme for the CEO is considered acceptable standing at 100% which is only inclusive of the annual bonus. No LTIPs vested. The ratio of CEO pay compared to average employee pay is 36:1, which is not considered appropriate. It is noted the bonus targets are commercially sensitive and therefore have not been disclosed. The non-disclosure of these measures makes it difficult to ascertain how sufficiently challenging the targets are.

Rating: BD

*Vote Cast: Oppose*

*Results: For: 99.3, Abstain: 0.4, Oppose/Withhold: 0.3,*

### *4. Elect Giles Brand - Chair*

Chair. Not considered independent as he is the Managing Partner of EPIC Private Equity LLP, an associate of EPIC Investments LLP, the Company's largest shareholder. He is also not considered independent owing to a tenure of over nine years. 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. Chair of the Nomination Committee and no target has been set to increase the level of female representation on the Board, which currently falls below the recommended 33% target. It is not clear from company reporting that the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards, are being sufficiently addressed and acted upon.

As the company has not constituted a director responsible for sustainability at board level, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability in addition to other concerns highlighted, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 97.4, Abstain: 0.0, Oppose/Withhold: 2.6,*

### *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: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

### 13. *Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 100,000. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the aggregate total amount exceeds recommended limits. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.9, Abstain: 0.3, Oppose/Withhold: 0.8,

### 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: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

### 17. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

## CAIXABANK SA AGM - 13-05-2021

### 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: 98.6, Abstain: 1.4, Oppose/Withhold: 0.1,



### *3. 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: 98.4, Abstain: 1.5, Oppose/Withhold: 0.1,

### *11. Authorize Issuance of Convertible Bonds, Debentures, Warrants, and Other Debt Securities up to EUR 3.5 Billion with Exclusion of Preemptive Rights up to 20 Percent of Capital*

Authority is sought to issue shares without pre-emptive rights to an amount of more than 10% of the share capital, which is deemed excessive. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 1.1, Oppose/Withhold: 1.0,

### *12. 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: 75.8, Abstain: 1.1, Oppose/Withhold: 23.1,

### *14. Amend Restricted Stock Plan*

The Board proposes the approval of the executive incentive plan. Under the plan, participants will be allotted stock units, each of which will give right to one share. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 75.7, Abstain: 22.4, Oppose/Withhold: 1.9,

### *18. 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: 99.1, Abstain: 0.9, Oppose/Withhold: 0.0,

## BALFOUR BEATTY PLC AGM - 13-05-2021

### 1. *Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, the Company failed to disclose targets for the proportion of women on the Board. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 92.5, Abstain: 7.5, Oppose/Withhold: 0.0,

### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed.

**Balance:** The CEO's salary is in line with the rest of the Company, as the CEO's salary did not increase for the year under review. The CEO's salary is in the upper quartile of the Company's comparator group. Changes in CEO pay in the last five years are not considered in line with changes in TSR during the same period. Total variable pay for the year under review was excessive at 155.15% of salary (Annual Bonus 91.93%, LTIP 63.22% ); it is recommended that total variable pay is limited to 200% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 24:1, it is recommended that the ratio does not exceed 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 90.8, Abstain: 6.3, Oppose/Withhold: 2.9,

### 12. *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: 93.7, Abstain: 0.0, Oppose/Withhold: 6.3,

### 16. *Approve New Performance Share Scheme*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 93.5, Abstain: 0.0, Oppose/Withhold: 6.5,

#### 19. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 93.4, Abstain: 0.3, Oppose/Withhold: 6.3,

### **MONEYSUPERMARKET.COM GROUP PLC AGM - 13-05-2021**

#### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 99.6, Abstain: 0.4, Oppose/Withhold: 0.0,

#### 4. *Elect Freestone, Robin - 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: 87.9, Abstain: 0.2, Oppose/Withhold: 11.9,

#### 12. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 16.67% of audit fees during the year under review and 15.00% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

#### 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: 90.4, Abstain: 0.7, Oppose/Withhold: 8.9,

#### 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: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

### **SWIRE PACIFIC LTD AGM - 13-05-2021**

#### 1.b. *Elect Swire, Merlin Bingham - 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.c. *Elect Swire, Samuel Compton - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he is a member of the Swire Family. Also, he is a shareholder and Director of John Swire & Sons Limited, the controlling shareholder. He is brother to M B Swire, a Non-Executive Director of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

**2. Approve PricewaterhouseCoopers as Auditors and Authorize Board to Fix Their Remuneration**

PwC proposed. Non-audit fees represented 25.93% of audit fees during the year under review and 32.28% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

**3. Authorise Share Repurchase**

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

**TT ELECTRONICS PLC AGM - 13-05-2021**

**10. Appoint the Auditors**

Deloitte proposed. Non-audit fees represented 25.00% of audit fees during the year under review and 12.50% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor.

Vote Cast: *Abstain*

Results: For: 99.6, Abstain: 0.4, Oppose/Withhold: 0.0,

**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: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

## OCADO GROUP PLC AGM - 13-05-2021

### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 98.6, Abstain: 1.1, Oppose/Withhold: 0.3,

### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The increase in CEO salary (7%), is not considered in line with the rest of the company (3 %). The CEO salary is in the median of the competitor group.

**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 realized pay for the year under review is considered excessive at approximately 870.6%. The ratio of pay between CEO and the average employee is not considered acceptable at 86:1.

Rating: AE

It is also noted that the company received significant opposition to the remuneration report at the 2020 AGM (28.53%). The company has engaged with shareholders on reasons behind this, provided explanation and also steps taken in understanding shareholders views. Is it their understanding that the level of opposition was attributable to concerns around the performance of the Growth Incentive Plan ("GIP"), the implementation of the VCP and the approach to Executive Directors' salary progression

Vote Cast: *Oppose*

Results: For: 86.9, Abstain: 0.5, Oppose/Withhold: 12.6,

### 4. *Re-elect Neill Abrams - Executive Director*

Executive Director and Company Secretary. Acceptable service contract provisions.. The Company Secretary is an officer of the Company with all of the responsibilities that attach to that status. The holder of the post is often seen as the guardian of governance and an independent adviser to the Board. For this reason, it is considered a conflict of interest for a person to serve the company secretarial function and serve another position on the Board. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.1, Abstain: 0.8, Oppose/Withhold: 1.1,

### 7. *Re-elect Jörn Rausing - 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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.7, Abstain: 0.0, Oppose/Withhold: 12.3,

#### *8. Re-elect Andrew Harrison - Senior Independent Director*

Senior Independent Director. Considered independent 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.

In addition, there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. Furthermore Mr. Harrison is the 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: 76.6, Abstain: 0.5, Oppose/Withhold: 22.9,

#### *15. Re-appoint Deloitte LLP as Auditors*

Deloitte proposed. Non-audit fees represented 20.72% of audit fees during the year under review and 28.74% 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*

Results: For: 99.7, Abstain: 0.2, Oppose/Withhold: 0.1,

#### *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: 98.3, Abstain: 0.0, Oppose/Withhold: 1.7,

#### *23. Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.6, Abstain: 0.1, Oppose/Withhold: 0.3,

### **VERIZON COMMUNICATIONS INC AGM - 13-05-2021**

#### *1d. Elect Melanie L. Healey - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Human Resources committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.9, Abstain: 0.5, Oppose/Withhold: 2.5,

#### 1e. *Elect Clarence Otis Jr. - Lead Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is a member of the Human Resources and Audit committees which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 92.7, Abstain: 0.6, Oppose/Withhold: 6.8,

#### 1g. *Elect Rodney E. Slater - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Human Resources committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.2, Abstain: 0.6, Oppose/Withhold: 3.2,

#### 1h. *Elect Hans E. Vestberg - 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: 91.6, Abstain: 1.0, Oppose/Withhold: 7.4,

#### 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: 91.7, Abstain: 0.8, Oppose/Withhold: 7.4,

#### 3. *Ratify Ernst & Young LLP as Auditors*

EY proposed. Non-audit fees represented 13.79% of audit fees during the year under review and 12.03% 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: 94.6, Abstain: 0.5, Oppose/Withhold: 4.9,



## ROLLS-ROYCE HOLDINGS PLC AGM - 13-05-2021

### 2. Approve Remuneration Policy

**Policy Rating: BCB** Changes proposed: i) A new incentive plan, with focus on shorter-term metrics in 2021, with additional longer-term metrics in 2022 and 2023, ii) Reduction in the maximum incentive level from 200% of target to 175% of the salary, iii) 30% of salary deferred into shares for the Chief Executive and 20% for other Executive Directors, iv) Increasing the average duration by one year versus existing incentives and v) Reduction in pension contributions to 12% of salary to align with the wider workforce.

Under the new policy proposed the new incentive plan will replace the existing annual bonus and LTIP with a blend of short and long-term metrics. Although the reduction of the maximum from 430% of the salary to 385% of the salary for the CEO and from 375% of the salary to 333% of the salary for the Executives is welcomed, it is still considered excessive since is higher than 200%. Performance measures are financial and non-financial in line with best practice. All awards from the plan will be deferred to shares 40% after three years and 60% after four years. The overall period is seven years and is considered adequate. 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. Malus and clawback provisions apply.

Vote Cast: *Abstain*

Results: For: 96.8, Abstain: 0.3, Oppose/Withhold: 2.9,

### 3. Approve the Remuneration Report

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The salary of the CEO is in line with workforce. 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 to be in line with the Company's TSR performance over the same period. There was no payment for variable pay for the year under review which is commendable. The ratio of CEO pay compared to average employee pay is acceptable at 17:1  
Rating: AC

Vote Cast: *Abstain*

Results: For: 98.8, Abstain: 0.2, Oppose/Withhold: 0.9,

### 15. Re-appoint PricewaterhouseCoopers LLP as Auditors

PwC proposed. Non-audit fees represented 9.71% of audit fees during the year under review and 4.11% 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: 0.2,

#### 18. *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. It is noted that the company received significant opposition of 12.42% of the votes in the 2020 AGM, and it did not disclose how it address the issue with its shareholders. Opposition is recommended

Vote Cast: *Oppose*

Results: For: 85.5, Abstain: 0.0, Oppose/Withhold: 14.4,

#### 19. *Approve Rolls-Royce Incentive Plan*

It is proposed to approve the company's new incentive plan. Employees, including employed Executive Directors and former employees of the Company and its subsidiaries (the Group) will be eligible to participate in the incentive plan at the discretion of the Remuneration Committee. Awards will be granted in one or more of the following forms: a share award, being a conditional right to acquire fully paid ordinary shares in the capital of the Company (Shares) in the future or a phantom award, being a conditional right to receive a cash sum in the future linked to the value of a number of notional Shares. The Incentive Plan also allows bonuses to be granted in upfront Shares instead of cash, with no vesting or holding period, or forfeiture, but normally subject to the Group's malus and clawback policy. These unrestricted upfront Share awards cannot be awarded to Executive Directors. Subject to the satisfaction of any conditions that apply, awards will normally vest on the vesting date specified by the Committee at the grant date. Awards may vest in tranches, in which case each tranche may have a different vesting date. The Remuneration Committee may adjust the extent to which an award will vest in light of: the wider performance of the Group or any member of the Group, the performance of the participant; or the experience of stakeholders. Following vesting of an award, Shares (if a Share award) or cash (if a phantom award) will normally be delivered to the participant as soon as practicable.

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, LTIP schemes are not considered an effective means of incentivizing performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure. On balance opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.6, Abstain: 0.0, Oppose/Withhold: 1.4,

#### 24. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.7, Oppose/Withhold: 0.4,

**CVS HEALTH CORP AGM - 13-05-2021****1.a. *Elect Fernando Aguirre - 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: 99.1, Abstain: 0.2, Oppose/Withhold: 0.7,

**1.b. *Elect C. David Brown II - 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: 93.6, Abstain: 0.2, Oppose/Withhold: 6.2,

**1.d. *Elect Nancy-Ann M. DeParle - Non-Executive Director***

Chair of the Nominating and Corporate Governance Committee. As the Chair of the Nominating and Corporate Governance 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: 99.1, Abstain: 0.1, Oppose/Withhold: 0.7,

**1.e. *Elect David W. Dorman - 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*

Results: For: 86.7, Abstain: 0.4, Oppose/Withhold: 12.9,

**1.f. *Elect Roger N. Farah - Non-Executive Director***

Non-Executive Director. Not considered independent owing to an aggregate tenure of over nine years, as the director served on the Board of Aetna Inc. since 2007 until its acquisition by the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.2, Oppose/Withhold: 2.0,

**1.g. *Elect Anne M. Finucane - 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: 97.2, Abstain: 0.2, Oppose/Withhold: 2.6,

**1.h. *Elect Edward J. Ludwig - Non-Executive Director***

Non-Executive Director. Not considered independent owing to an aggregate tenure of over nine years as the director served as a Lead Director of Aetna Inc. since 2003 until its acquisition by the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.2, Oppose/Withhold: 1.0,

### 1.m. *Elect Tony L. White - 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: 97.2, Abstain: 0.2, Oppose/Withhold: 2.7,

### 2. *Appoint the Auditors*

EY proposed. Non-audit fees represented 8.76% of audit fees during the year under review and 8.79% 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*

Results: For: 97.8, Abstain: 0.2, Oppose/Withhold: 2.0,

### 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: 90.0, Abstain: 0.4, Oppose/Withhold: 9.7,

### 1.j. *Elect Jean-Pierre Millon - 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: 96.9, Abstain: 0.2, Oppose/Withhold: 2.9,

## **UNION PACIFIC CORPORATION AGM - 13-05-2021**

### 1a. *Elect Andrew H. Card Jr. - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 93.7, Abstain: 0.2, Oppose/Withhold: 6.2,

### 1d. *Elect Lance M. Fritz - 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. In addition, 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 the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 90.0, Abstain: 0.5, Oppose/Withhold: 9.5,

*1g. Elect Michael R. McCarthy - Senior Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role.

Vote Cast: *Oppose*

Results: For: 90.3, Abstain: 0.4, Oppose/Withhold: 9.3,

*1i. Elect Jose H. Villarreal - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 94.1, Abstain: 0.2, Oppose/Withhold: 5.7,

*2. Ratify Deloitte & Touche LLP as Auditors*

Deloitte proposed. Non-audit fees represented 6.57% of audit fees during the year under review and 7.45% 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*

Results: For: 95.4, Abstain: 0.1, Oppose/Withhold: 4.5,

*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: 93.7, Abstain: 0.4, Oppose/Withhold: 5.9,

*4. Approve New Omnibus Plan*

The Plan is presented as an omnibus plan, which means that bundled within the same official plan there are various incentive plan elements aimed at rewarding different groups of employees, officers and executives. However, it is noted that the Compensation Committee retains the power to select employees to receive awards and determine the terms and conditions of awards (and also note that 'management employees' appear most likely to be the principal beneficiaries of the Plan). On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.7, Abstain: 0.3, Oppose/Withhold: 7.0,

**MARTIN MARIETTA MATERIALS INC. AGM - 13-05-2021****1.6. *Elect C. Howard Nye - 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. In addition, 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 the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 94.3, Abstain: 1.5, Oppose/Withhold: 4.2,

**1.7. *Elect Laree E. Perez - Non-Executive Director***

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is 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: 94.7, Abstain: 0.9, Oppose/Withhold: 4.4,

**1.9. *Elect Michael J. Quillen - Senior Independent Director***

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 1.0, Oppose/Withhold: 2.1,

**2. *Ratify PricewaterhouseCoopers LLP as Auditors***

PwC proposed. Non-audit fees represented 1.12% of audit fees during the year under review and 4.24% 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: 98.9, Abstain: 0.9, Oppose/Withhold: 0.2,

**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: 92.2, Abstain: 1.0, Oppose/Withhold: 6.8,

## INTEL CORPORATION AGM - 13-05-2021

### 1.d. *Elect Omar Ishrak - 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: 84.7, Abstain: 0.3, Oppose/Withhold: 15.1,

### 2. *Appoint the Auditors*

EY proposed. Non-audit fees represented 14.91% of audit fees during the year under review and 11.06% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 38.1, Abstain: 0.6, Oppose/Withhold: 61.4,

### 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: AED. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 34.1, Abstain: 1.5, Oppose/Withhold: 64.4,

## QUILTER PLC AGM - 13-05-2021

### 14. *Reappoint PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 0.00% of audit fees during the year under review and 18.70% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

#### 17. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.9, Abstain: 0.0, Oppose/Withhold: 2.1,

#### 18. *Authorise the Company to Enter into Contingent Purchase Contracts*

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,

### **SPIRE HEALTHCARE GROUP PLC AGM - 13-05-2021**

#### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 99.8, Abstain: 0.2, Oppose/Withhold: 0.0,

#### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total remuneration table are disclosed. The CEO salary is in line with the workforce. The salary of the CEO is in the median of the competitor Group.

**Balance:** Total realized variable pay for the highest paid director, the CEO, Justin Ash is not considered excessive at 80.2% of the salary (Annual Bonus: 54.9%, LTIP: 25.3%). The ratio of highest paid director to average employee pay has been estimated and is found inappropriate at 28:1. Changes in CEO pay over the last five years are not considered in line with Company's financial performance over the same period.

Rating: AC

Vote Cast: *Abstain*

Results: For: 99.7, Abstain: 0.2, Oppose/Withhold: 0.1,



### 3. Approve Remuneration Policy

**Policy Rating: BDB** No significant changes proposed except : i) All future Executive Directors will receive the rate offered to the majority of our workforce. The rate for incumbent Executive Directors is currently aligned to the rate offered to the wider management team (18% of salary). This will be reduced to the rate offered to the majority of the workforce (currently 8%) by 1 January 2023, ii) Post-exit shareholding guidelines – Directors will be expected to maintain their shareholding guideline for two years after stepping down from the Board.

Total variable pay is cap at 300% of the salary and is excessive. At least 50% of the Annual Bonus award will be assessed against the Group's financial metrics. The remainder of the award will be based on performance against strategic objectives and/or individual objectives. For the CEO 50% of the Bonus deferred to shares for three years and for the CFO one third of the Bonus deferred to shares for three years. It would have been preferable all bonuses for executives to deferred to shares by 50%. Long-term Incentives plan (LTIP) measures for the year under review were, ROCE (35%), relative TSR (35%) and Operational Excellence (30%) targets. The performance measures are applied independently and can vest regardless of the performance in respect to other elements. The performance period is three years which is not considered sufficiently long-term. However, Executives are required to hold their vested shares for two years, which is welcomed. Malus and claw back provisions apply for the variable pay. Executive Directors are expected to build up and maintain, over a period of five years, a shareholding equivalent to twice their respective base salary.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

### 15. Re-appoint Ernst & Young LLP as Auditors

EY proposed. Non-audit fees represented 0.71% of audit fees during the year under review and 1.06% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

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: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

### 17. Approve Political Donations

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 100,000. The Company did not make any political

donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the aggregate total amount exceeds recommended limits. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 99.5, Abstain: 0.2, Oppose/Withhold: 0.3,

#### 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: 88.1, Abstain: 0.0, Oppose/Withhold: 11.9,

#### 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: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

### **DIRECT LINE INSURANCE GROUP PLC AGM - 13-05-2021**

#### 2. *Approve the Remuneration Report*

There was not CEO salary increase for the year under review. The CEO's salary in in the upper quartile of PIRC's comparator group. Performance conditions and targets for long term incentives and annual bonus are disclosed and all share incentive awards are fully disclosed with award dates and prices. TThe balance of CEO realised pay with financial performance is considered acceptable as the change in CEO total pay over the last five years is aligned to the change in TSR over the same period. Total variable pay for the year under review is not considered acceptable at 279% of salary (146% for the annual Bonus and 136% for the LTIP). The ratio of CEO pay compared to average employee pay is not acceptable at 55:1; it is recommended that the ratio does not exceed 20:1.

Rating: AD

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 0.0, Oppose/Withhold: 2.3,

#### 13. *Reappoint Deloitte LLP as Auditors*

Deloitte proposed. Non-audit fees represented 28.57% of audit fees during the year under review and 25.00% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 91.0, Abstain: 0.0, Oppose/Withhold: 9.0,

#### 18. *Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 91.7, Abstain: 0.2, Oppose/Withhold: 8.2,

#### 19. *Authorise Market Purchase of Ordinary Shares*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.0, Oppose/Withhold: 0.9,

#### 21. *Authorise Issue of Equity in Relation to an Issue of RT1 Instruments*

Authority is sought to allot shares and grant rights to subscribe for or to convert any security into ordinary shares in the Company up to an aggregate nominal amount of GBP23,250,000, representing approximately 15.6% of the Company's issued ordinary share capital as at 23 March 2021, such authority to be exercised in connection with the issue of Restricted Tier 1 (RT1) instruments. The authority expires at the next AGM. The Company explains that this authority is needed so that the Company has the flexibility to manage and maintain its and the Group's capital structure more effectively in the light of evolving regulatory capital requirements, market conditions and appetite for different instruments and their cost-effectiveness.

The use of Contingent Convertible Securities (or CoCos) is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. CoCos are relatively new instruments and there are concerns that CoCos may create a situation which whilst converting some debt to equity actually disincentivises equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.1, Oppose/Withhold: 1.5,

#### 22. *Authorise Issue of Equity without Pre-emptive Rights in Relation to an Issue of RT1 Instruments*

Authority to issue RT1 instruments (which may convert into ordinary shares) for cash up to an aggregate nominal amount of GBP23,250,000, representing approximately 15.6% of the Company's issued ordinary share capital as at 23 March 2021. This authority is supplementary to Resolution 21, giving the company the additional flexibility to offer such instruments without first offering them to existing shareholders and will expire at next AGM. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 0.1, Oppose/Withhold: 2.2,

## HISCOX LTD AGM - 13-05-2021

### 1. *Receive the Annual Report*

This company is considered to be in a high-risk sector, with regards to exposure of staff to COVID-19. As such, it is expected that full disclosure of causes of fatalities be provided, particularly where related to cases of COVID-19 among staff. Adequate measurement of such cases is considered to be material for the financial resilience of the company in the long term. Due to lack of disclosure, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.1, Oppose/Withhold: 0.7,

### 3. *Elect Robert Simon Childs - Chair*

Incumbent Chair. Not independent upon appointment as he is a former Executive Director of the Company. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 92.4, Abstain: 1.2, Oppose/Withhold: 6.3,

### 4. *Elect Caroline Foulger - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was a Partner of PwC, who are also the primary auditors of the Company, up until 31 December 2012. She is also a member of both the audit and remuneration committees. As a matter of best practice, this committee should be entirely composed of independent non-executive directors. There are also concerns over the director's time commitments and although she attended all meetings in year under review, on balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.0, Oppose/Withhold: 1.6,

### 18. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 95.6, Abstain: 0.0, Oppose/Withhold: 4.4,

### 19. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.1, Oppose/Withhold: 0.7,

## JOHN WOOD GROUP PLC AGM - 13-05-2021

### *2. Approve the Remuneration Report*

**Disclosure:** All elements of the single figure table have been adequately disclosed. Performance conditions and targets for long term incentives are disclosed.

**Balance:** The CEO's salary did not increase in the year under review. The CEO's salary is in the median of the Company's comparator group. The changes in CEO pay over the last five years are not considered in line with the changes in the Company's TSR performance over the same period. Total variable pay for the year under review consisted only of the LTIP and is acceptable at 48.26% of salary. The ratio of CEO pay compared to average employee pay is considered acceptable at 10:1, it is recommended that the ratio does not exceed 20:1.

Rating: AC

*Vote Cast: Abstain*

### *13. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 1.54% of audit fees during the year under review and 1.49% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

*Vote Cast: Oppose*

### *18. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

*Vote Cast: Oppose*

### 19. Authorise Share Repurchase

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

## PRUDENTIAL PLC AGM - 13-05-2021

### 2. Approve the Remuneration Report

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary increase by 1% and in line with the workforce which has a salary increase at 3.76%. The CEO salary is the in the median of the competitor group.

**Balance:**The Group CEO's total realized variable pay is considered excessive at 320.9% of salary (Annual Bonus: 91.5%, LTIP: 229.4%). Ratio of CEO to average employee pay has been estimated and is found unacceptable at 27:1. The balance of CEO realized pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period.

Rating: AC

Vote Cast: *Abstain*

Results: For: 93.5, Abstain: 1.2, Oppose/Withhold: 5.2,

### 18. Re-appoint KPMG LLP as Auditors

KPMG proposed. No non-audit fees were paid for the year under review and non-audit fees represents 33.16% of audit fees on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than 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: 95.3, Abstain: 0.6, Oppose/Withhold: 4.1,

#### 24. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such 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: 97.8, Abstain: 0.0, Oppose/Withhold: 2.2,

#### 25. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.1, Oppose/Withhold: 1.5,

### ELEMENTIS PLC AGM - 13-05-2021

#### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 96.6, Abstain: 3.4, Oppose/Withhold: 0.0,

#### 2. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 69.6, Abstain: 13.6, Oppose/Withhold: 16.8,

#### 3. *Approve the Remuneration Report*

**Disclosure:** All aspects of the CEOs pay are adequately disclosed.

**Balance:** The CEO's salary is in the upper quartile of a peer comparator group which raises concerns surrounding excessiveness. The CEO's salary increase is in line with the rest of the company at 2%. The balance of CEO pay with financial performance is not considered acceptable. The CEO has not received variable pay for the

year under review, which is welcomed. The CEO/average employee pay ratio is considered acceptable at 10:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 81.1, Abstain: 13.5, Oppose/Withhold: 5.5,

#### 4. *Elect Andrew Duff - Chair (Non Executive)*

Non-Executive Director, chair of the nomination committee.

At this time, the report of the progresses made on the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards, is not considered to be sufficient. As chair of the nomination committee, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 85.7, Abstain: 10.5, Oppose/Withhold: 3.8,

#### 12. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 9.09% 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*

Results: For: 99.7, Abstain: 0.3, Oppose/Withhold: 0.0,

#### 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: 96.0, Abstain: 0.0, Oppose/Withhold: 4.0,

#### 19. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.6, Abstain: 0.1, Oppose/Withhold: 0.3,

### **HENGDELI HOLDINGS LTD AGM - 14-05-2021**

#### 2.B. *Elect Shi Zhongyang*

Non-Executive Director. Not considered independent as he is the Legal Counsel for The Swatch Group, a substantial shareholder of the Company. There is insufficient independent representation on the Board.



*Vote Cast: Oppose*

*2.C. Elect Liu Xueling*

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*

*4.A. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

*4.B. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

**CLP HOLDINGS AGM - 14-05-2021**

*2.C. Re-elect John Andrew Harry Leigh - Non-Executive Director*

Non-Executive Director. Not considered to be independent as Mr. Leigh is a director of Sir Elly Kadoorie & Sons Ltd. and, as such, is associated with a substantial shareholder of the Company. He has also served on the Board for more than nine years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*2.D. Re-elect Andrew Clifford Winawer Brandler - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he was the Group Managing Director and Chief Executive Officer (CEO) of CLP Holdings Limited from 6 May 2000 to 30 September 2013. He was re-designated as a Non-Executive Director on 1 April 2014. He is a director of Energy Australia Holdings Limited a subsidiary of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*2.E. Re-elect Nicholas Charles Allen - Non-Executive Director*

Non-Executive Director. It is noted that as he was previously a partner at C&L Hong Kong, which was merged into PricewaterhouseCoopers (PwC), the current Company Auditors. Mr Allen retired from PwC in 2007. Additionally, the director has a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *2.F. Re-elect Law Fan Chiu Fun Fanny - 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*

### *3. Appoint the Auditors (PwC) and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 2.56% of audit fees during the year under review and 3.42% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The 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*

### *6. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

## **ST JAMES'S PLACE PLC AGM - 14-05-2021**

### *13. Appoint the Auditors*

PwC proposed. Non-audit fees represented 0.00% of audit fees during the year under review and 2.94% 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: 95.9, Abstain: 0.0, Oppose/Withhold: 4.1,

#### 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: 98.6, Abstain: 0.1, Oppose/Withhold: 1.3,

### TRIPLE POINT SOCIAL HOUSING REIT PLC AGM - 14-05-2021

#### 15. *Authorise Share Repurchase*

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.

Vote Cast: *Oppose*

Results: For: 95.1, Abstain: 0.1, Oppose/Withhold: 4.8,

### GREGGS PLC AGM - 14-05-2021

#### 1. *Accept Financial Statements and Statutory Reports*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, there are some concerns over the Company's sustainability policies and practice. In addition to the board-level accountability, it is recommended to abstain also from voting on the annual report, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for approval.

Vote Cast: *Abstain*

Results: For: 98.8, Abstain: 1.2, Oppose/Withhold: 0.0,

#### 4. *Elect Ian Durant - Chair (Non Executive)*

Non Executive Chair. Not considered independent owing to a tenure of more than nine years. It is considered that the Chair should be considered independent, irrespective of the level of independence of the Board.

Vote Cast: *Oppose*

Results: For: 95.0, Abstain: 0.1, Oppose/Withhold: 4.8,

#### 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: 98.8, Abstain: 0.2, Oppose/Withhold: 1.0,

### **BW OFFSHORE LTD AGM - 14-05-2021**

#### 4.a. *Elect Andreas Sohmen-Pao*

Chair (Non Executive), member of the Remuneration Committee. The Director is not considered independent as the Sohmen family controls BW Group Limited, the controlling shareholder of the Company. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*

#### 4.b. *Elect Maarten R. Scholten*

Non-Executive Director, member of the Remuneration Committee. Not considered independent owing to a tenure of over nine years. It is considered that the Remuneration Committee should consist of a majority of independent directors. Due to the insufficient independent representation on the Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*

#### 6. *Consider, and if Thought Fit, to Approve the Re-appointment of Kpmg as as Auditor of the Company to Hold Office Until the Conclusion of the Next Annual General Meeting of the Company and to Authorise the Directors to Determine Their Remuneration.*

KPMG proposed. Non-audit fees represented 2.14% of audit fees during the year under review and 14.44% 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*

### **BW ENERGY LIMITED AGM - 14-05-2021**

#### 2a. *Elect Hilde Drønen - Non-Executive Director*

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.

Vote Cast: *Oppose*

#### 2b. *Elect Tormod Vold - Non-Executive Director*

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.

Vote Cast: *Oppose*

#### 4. *Re-appoint KPMG AS as the Auditors and Allow the Board to Determine their Remuneration*

KPMG proposed. Non-audit fees represented 38.33% of audit fees during the year under review and 14.93% 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*

### SPECTRIS PLC AGM - 14-05-2021

#### 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 since no increase was given to the CEO for the year under review. The CEO salary is in the median of the competitors group.

**Balance:**Changes in CEO's total pay over the last five years are not considered in line with changes in TSR during the same period. The CEO variable pay for the year under review is not excessive at 60% of salary since only annual bonus was awarded to the CEO. The ratio of CEO pay compared to average employee pay is appropriate at 18:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 97.5, Abstain: 0.5, Oppose/Withhold: 2.1,

#### 16. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 94.0, Abstain: 0.0, Oppose/Withhold: 6.0,

#### 17. *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: 99.6, Abstain: 0.0, Oppose/Withhold: 0.4,

## **HENGAN INTERNATIONAL GROUP AGM - 17-05-2021**

### *7. Elect Ada Ying Kay Wong*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *9. Authorise the Board to Fix Directors' Remuneration*

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*

### *10. Appoint the Auditors and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 125.27% of audit fees during the year under review and 163.27% 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.

Vote Cast: *Oppose*

### *11. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

### *12. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

#### 14. *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*

### **GCP ASSET BACKED INCOME FUND LIMITED AGM - 17-05-2021**

#### 8. *Appoint the Auditors*

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: 93.5, Abstain: 0.0, Oppose/Withhold: 6.5,

#### 10. *Approval of authority to hold treasury shares*

The Companies Law allows companies to hold shares acquired by market purchases as treasury shares, rather than having to cancel the shares. Up to 10 per cent of the issued shares may be held in treasury and may be subsequently cancelled or sold for cash in the market. This gives the Company the ability to reissue shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. As at the Latest Practicable Date, 2,200,000 Ordinary Shares have been repurchased by the Company and are held in treasury which represents approximately 0.5 per cent of the issued share capital of the Company as at the Latest Practicable Date (excluding any Ordinary Shares held in treasury).

Resolutions to buy back shares 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, and as this proposal is functional to the authority sought under resolution 12, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.5, Abstain: 0.0, Oppose/Withhold: 6.5,

#### *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: 93.5, Abstain: 0.0, Oppose/Withhold: 6.5,

### **SINCH AB AGM - 18-05-2021**

#### *8.c1. Approve Discharge of Erik Froberg*

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*

#### *8.c2. Approve Discharge of Bridget Cosgrave*

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*

#### *8.c3. Approve Discharge of Renee Robinson Stromberg*

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*



#### *8.c4. Approve Discharge of Johan Stuart*

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*

#### *8.c5. Approve Discharge of Bjorn Zethraeus*

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*

#### *8.c6. Approve Discharge of Oscar Werner (CEO)*

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*

#### *10. Approve Fees Payable to the Board of Directors*

It is proposed to increase the amount payable to the Board of Directors by more than 10% on annual basis. The increase is considered material and exceeds guidelines, while the company has not duly justified it. Therefore, opposition is recommended.

*Vote Cast: Oppose*

#### *13. 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. 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*

#### *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. Issue Shares for Cash*

Authority is sought to issue shares without pre-emptive rights to an amount of more than 10% of the share capital, which is deemed excessive. Opposition is recommended.

*Vote Cast: Oppose*

### **PAX GLOBAL TECHNOLOGY LTD AGM - 18-05-2021**

#### *4. Elect Charles Man Kwok Kuen - 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*

#### *5. Authorise the Board to Fix Directors' Remuneration*

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*

#### *6. Appoint the Auditors and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 0.00% of audit fees during the year under review and 21.45% 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 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*

#### *7. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

### 8. Authorise Share Repurchase

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

## ABRDN PLC AGM - 18-05-2021

### 3. Re-appoint KPMG LLP as Auditors

KPMG proposed. Non-audit fees represented 10.67% of audit fees during the year under review and 18.27% 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: 98.8, Abstain: 0.1, Oppose/Withhold: 1.1,

### 6.A. Re-elect Sir Douglas Flint - Chair

Chair. Independent upon appointment. 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: 0.1, Oppose/Withhold: 1.7,

### 11. Authorise Share Repurchase

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set

forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.4, Oppose/Withhold: 1.3,

### *13. Authorize Issue of Equity without Pre-Emptive Rights in Relation to the Issue of Convertible Bonds*

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*

Results: For: 97.1, Abstain: 0.3, Oppose/Withhold: 2.6,

### *12. Authorise Issue of Equity in Relation to the Issue of Convertible Bonds*

The authority is limited to 15.4% of the Company's issued share capital and expires at the next AGM. The additional authority sought in relation to the issuance of convertible bonds is considered excessive. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 0.2, Oppose/Withhold: 2.0,

## **MTG-MODERN TIMES GROUP AB AGM - 18-05-2021**

### *10. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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*

### *16. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 137.50% of audit fees during the year under review and 120.00% 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*

### *17. 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. 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*

### 18. *Approve Issuance of Class B Shares up to 15 Percent of Issued Shares without Preemptive Rights*

Authority is sought to issue shares without pre-emptive rights to an amount of more than 10% of the share capital, which is deemed excessive. Opposition is recommended.

Vote Cast: *Oppose*

## **JPMORGAN CHASE & CO. AGM - 18-05-2021**

### 1a. *Elect Linda B. Bammann - Non-Executive Director*

Non-Executive Director. Not considered independent as she held executive positions at the Company until her retirement in 2005. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.2, Oppose/Withhold: 2.2,

### 1b. *Elect Stephen B. Burke - Lead Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is the Chair of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 91.4, Abstain: 0.2, Oppose/Withhold: 8.4,

### 1e. *Elect James Dimon - 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. In addition, 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. The Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability and the merging of the CEO and Chair roles. Additionally, the CEO is considered to be responsible for the issues raised concerning gender pay issues and money laundering concerns, which do not appear to have been adequately addressed. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 91.2, Abstain: 0.5, Oppose/Withhold: 8.3,

### 1f. *Elect Timothy P. Flynn - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is 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: 98.1, Abstain: 0.2, Oppose/Withhold: 1.7,

### 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: DDC. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 90.1, Abstain: 0.6, Oppose/Withhold: 9.3,

### 3. *Amend Existing Omnibus Plan*

It is proposed to amend the 2018 Long-Term Incentive (LTI) Plan. The Board is proposing to authorize approximately 29 million additional shares under the LTI Plan, bringing the total number of shares authorized under the Plan to 85 million shares. They have also proposed to renew the term of the 2018 Plan by four years, to a term date of May 31, 2025. The full summary of the proposed 2021 Plan can be found on page 85 of the 2021 Proxy Statement.

There are concerns with the Plan as it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, maximum award limits are excessive. As a result, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.3, Abstain: 0.4, Oppose/Withhold: 3.3,

### 4. *Ratify PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 3.60% of audit fees during the year under review and 3.66% 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: 95.1, Abstain: 0.2, Oppose/Withhold: 4.7,

## ROYAL DUTCH SHELL PLC AGM - 18-05-2021

### 1. *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: *Abstain*

Results: For: 95.5, Abstain: 1.7, Oppose/Withhold: 2.8,

### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. Some of the measures for the annual bonus, score card targets and the LTIP, FCF are considered to be commercially sensitive which makes it difficult to ascertain how challenging the targets are.

**Balance:** The CEO salary is in the upper quartile of a peer comparator group which raises concerns over the excessiveness of their pay. The CEO's total realised variable pay is considered excessive at 232% of salary (Annual Bonus: Nil, LTIP: 232%). The ratio of CEO to average employee pay has been estimated and is found acceptable at 15:1. 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.

Rating: BE

Vote Cast: *Oppose*

Results: For: 94.5, Abstain: 1.5, Oppose/Withhold: 4.1,

#### 4. *Elect Ben van Beurden - Chief Executive*

Chief Executive. The Chief Executive is considered operationally accountable for the company's Sustainability programme. Despite having strong ESG policies, there have been reported actions allegedly taken by the company in contravention of these policies, including the listed issues below, regarding its grievance mechanism functions and support for anti-climate lobbyists. As such, given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended until these issues are resolved.

Vote Cast: *Oppose*

Results: For: 94.8, Abstain: 0.5, Oppose/Withhold: 4.7,

#### 15. *Appoint the Auditors*

EY proposed. Non-audit fees represented 3.77% of audit fees during the year under review and 2.00% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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: 0.4, Oppose/Withhold: 1.6,

#### 19. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 1.4, Oppose/Withhold: 1.9,

#### 20. *Approve the Shell Energy Transition Strategy*

There does not appear to be any individual accountability for the policy, and the policy does not list the Chair as responsible for the climate strategy. Rather, the company management and the sustainability committee hold collective responsibility, which is considered too general, and against an effective execution and accountability overall.

The company states that it will review membership of associations with adverse positions on climate positions, however there are concerns surrounding this commitment, based on prior lobbying arrangements allegedly in contravention of company policy.

The company climate strategy has a timeline, for the purpose of measuring progress on emission reductions and the overall energy transition.

The company has said it will be carbon neutral by 2050 and has extended this commitment to its Scope 1, Scope 2 and Scope 3 emissions. However, this is caveated by 'being in step with customers and society'.

There are concerns surrounding the governance structure responsible for the implementation of these policies which raises concerns about their potential effectiveness. In addition, the strategy does not seemingly address the challenges the company faces, with competition from renewable energy potentially putting fossil fuel businesses out of business on grounds of costs. The company does not seem to have a clear plan for the competitive aspects of the energy transition: Shell anticipates that no new frontiers exploration will be undertaken after 2025, but there does not seem to be a sharp target or commitment. Moreover, decarbonising 'in step with society', as opposed to taking the lead to decarbonise, appears seemingly too accommodating and inconsistent with the policy objectives and some of the targets. Under such assumption, there is no guarantee that the targets would be reviewed to a lower ambition or that they will not be met at all. We would prefer to see all targets set out in terms of absolute emissions, not intensity. There is insufficient clarity on claims of carbon capture and storage and nature based solutions. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 83.2, Abstain: 6.3, Oppose/Withhold: 10.6,

### **BNP PARIBAS SA AGM - 18-05-2021**

#### 0.5. *Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

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: 97.7, Abstain: 0.1, Oppose/Withhold: 2.3,

#### 0.12. *Approve Remuneration Policy of CEO and Vice-CEO*

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. As abstention is not a valid vote option, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.7, Abstain: 0.0, Oppose/Withhold: 13.3,



### *O.13. Approve Compensation of Corporate Officers*

It is proposed to approve the implementation of the remuneration report. 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. As abstention is not a valid vote option, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 89.4, Abstain: 10.3, Oppose/Withhold: 0.4,

### *O.15. Approve Compensation of Jean-Laurent Bonnafe, CEO*

It is proposed to approve the implementation of the remuneration report. 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. As abstention is not a valid vote option, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.5, Abstain: 0.0, Oppose/Withhold: 3.5,

### *O.16. Approve Compensation of Philippe Bordenave, Vice-CEO*

It is proposed to approve the implementation of the remuneration report. 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. As abstention is not a valid vote option, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 84.3, Abstain: 12.3, Oppose/Withhold: 3.5,

## **ORANGE S.A AGM - 18-05-2021**

### *1. 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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.6, Abstain: 0.1, Oppose/Withhold: 0.4,

### *2. Approve Consolidated Financial Statements and Statutory Reports*

The consolidated 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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.6, Abstain: 0.1, Oppose/Withhold: 0.4,

#### 5. *Reelect Bpifrance Participations as Director*

Represented by Thierry Sommelet, Non-Executive Director. Not considered independent he Bpifrance is a significant shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 85.1, Abstain: 0.1, Oppose/Withhold: 14.8,

#### 6. *Renew Appointment of KPMG as Auditor*

KPMG proposed. On aggregate, non-audit fees represented 2.49% of audit fees during the year under review and 2.11% 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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,

#### 7. *Appoint the Alternate Auditor: Salustro Reydel*

The Board requests authority to elect a substitute external auditor. Given the relationship between the proposed substitute and the elected statutory auditor (Salustro Reydel a KPMG audit entity), the selection is not considered suitable to meet the intended purpose, which is to fulfill any vacancy which may arise if the statutory auditor is unable to complete the audit.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.0, Oppose/Withhold: 1.7,

#### 9. *Appoint Beas as Alternate Auditor*

The Board requests authority to elect a substitute external auditor. Given the relationship between the proposed substitute and the elected statutory auditor (Beas is one of Deloitte's EU audit firms), the selection is not considered suitable to meet the intended purpose, which is to fulfill any vacancy which may arise if the statutory auditor is unable to complete the audit.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.0, Oppose/Withhold: 1.7,

#### 11. *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 no claw back clauses in place, which is against best practices. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

#### 12. *Approve Compensation of Stephane Richard, Chair and CEO*

It is proposed to approve the remuneration paid or due to Stephane Richard, Chair and CEO with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.5, Abstain: 0.3, Oppose/Withhold: 3.1,

#### 13. *Approve Compensation of Ramon Fernandez, Vice-CEO*

It is proposed to approve the remuneration paid or due to Ramon Fernandez, Vice-CEO with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.3, Oppose/Withhold: 2.1,

#### 14. *Approve Compensation of Gervais Pellissier, Vice-CEO*

It is proposed to approve the remuneration paid or due to Gervais Pellissier, Vice-CEO with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.3, Oppose/Withhold: 2.1,

#### 15. *Approve Remuneration Policy of the Chair and CEO*

It is proposed to approve the remuneration policy of the Chair and CEO. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw-back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 84.0, Abstain: 0.1, Oppose/Withhold: 15.9,

#### 16. *Approve Remuneration Policy of Vice-CEOs*

It is proposed to approve the remuneration policy of Vice-CEOs. 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: 84.7, Abstain: 0.1, Oppose/Withhold: 15.2,

*18. Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

It is proposed to authorise the Board to purchase Company's shares for 10% and 26 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.0, Oppose/Withhold: 0.2,

*20. Allow Board to Use Delegations under Item 19 Above in the Event of a Public Tender Offer*

Proposal to use the authorities sought under previous resolution 19 in time of public offer. The use of share increase or share repurchase during public offer (i.e. a takeover) is considered to be counter to shareholders best interests as they could entrench the Board subject to an hostile takeover.

Vote Cast: *Oppose*

Results: For: 52.2, Abstain: 0.0, Oppose/Withhold: 47.7,

*21. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 1 Billion*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

Results: For: 82.7, Abstain: 0.0, Oppose/Withhold: 17.3,

*22. Allow Board to Use Delegations under Item 21 Above in the Event of a Public Tender Offer*

Proposal to use the authorities sought under previous resolution 21 in time of public offer. The use of share increase or share repurchase during public offer (i.e. a takeover) is considered to be counter to shareholders best interests as they could entrench the Board subject to an hostile takeover.

Vote Cast: *Oppose*

Results: For: 40.5, Abstain: 0.4, Oppose/Withhold: 59.1,

*23. Approve Issuance of Equity or Equity-Linked Securities for up to 20 Percent of Issued Capital Per Year for Private Placements, up to Aggregate Nominal Amount of EUR 1 Billion*

The Board requests authority to approve a global authority for the issue of capital related securities without pre-emptive rights by private placement. The authorisation is valid up to 10% of the issued share capital over a period of 26 months. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 81.8, Abstain: 0.0, Oppose/Withhold: 18.1,

*24. Allow Board to Use Delegations under Item 23 Above in the Event of a Public Tender Offer*

Proposal to use the authorities sought under previous resolution 23 in time of public offer. The use of share increase or share repurchase during public offer (i.e. a

takeover) is considered to be counter to shareholders best interests as they could entrench the Board subject to an hostile takeover.

Vote Cast: *Oppose*

Results: For: 40.5, Abstain: 0.0, Oppose/Withhold: 59.5,

*25. Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Under Items 19-24*

In addition to the share issuance authorities sought above, the Board requests shareholder authority for a capital increase of additional 15%, in case of exceptional demand.

A green shoe authorisation enables an authorization of additional shares in the event of exceptional public demand. In this case, the authorization would increase allow the placement of up to 15% additional new shares within a thirty day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 57.4, Abstain: 0.0, Oppose/Withhold: 42.6,

*26. Authorize Capital Increase of Up to EUR 1 Billion for Future Exchange Offers*

Proposed authority to issue up to 10% of the share capital to be used in exchanges in times of public offer initiated by the Company. At this time, the Company has not disclosed specific plans to future exchange offers. As the proposed authority exceeds guidelines, and in absence of specific reasons, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.0, Oppose/Withhold: 1.3,

*27. Allow Board to Use Delegations under Item 26 Above in the Event of a Public Tender Offer*

Proposal to use the authorities sought under previous resolution 26 in time of public offer. The use of share increase or share repurchase during public offer (i.e. a takeover) is considered to be counter to shareholders best interests as they could entrench the Board subject to an hostile takeover.

Vote Cast: *Oppose*

Results: For: 40.7, Abstain: 0.0, Oppose/Withhold: 59.3,

*29. Allow Board to Use Delegations under Item 28 Above in the Event of a Public Tender Offer*

Proposal to use the authorities sought under previous resolution 28 in time of public offer. The use of share increase or share repurchase during public offer (i.e. a takeover) is considered to be counter to shareholders best interests as they could entrench the Board subject to an hostile takeover.

Vote Cast: *Oppose*

Results: For: 42.9, Abstain: 0.0, Oppose/Withhold: 57.0,

*31. Authorize up to 0.07 Percent of Issued Capital for Use in Restricted Stock Plans Under Performance Conditions Reserved for Some Employees and Executive Corporate Officers*

Proposal to authorize for 26 months the Board to allot shares free of charge to employees and executives.

The performance conditions are the following: the amount of the Group's organic cash flow (50% of the final entitlement), the achievement of the target being assessed at the end of a three-year period (including the year in which the free shares are granted) in relation to the organic cash flow target set for this multi-year period as previously approved by the Board of Directors; the relative change in the Orange Total Shareholder Return (TSR) (30% of the final entitlement), which will be assessed at the end of a three-year period by comparing (i) the change in the Orange TSR calculated by comparing the average Orange share price between September 1, 2020 and December 31, 2020 (i.e. 9.69 euros) with the average Orange share price between September 1, 2023 and December 31, 2023, (ii) the change in the sector TSR

calculated according to the same methodology using the Stoxx Europe 600 Telecommunications index as the benchmark or any other index that may replace it, it being understood that the result will be recorded on the hit-or-miss principle between the changes in the Orange TSR and the sector TSR calculated on the basis of the Stoxx Europe 600 Telecommunications index; the reduction in CO2 emissions compared with 2015 (10% of the final entitlement), observed on the hit-or-miss principle, and the increase in the proportion of women in the Group's management networks (also 10% of the final entitlement), the achievement of which will be assessed at the end of a three-year period (including the year in which the free shares are granted), in order to support the ambition in terms of the Orange group's social and environmental responsibility as part of its Engage 2025 strategic plan.

Performance targets have not been fully quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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: 86.3, Abstain: 0.0, Oppose/Withhold: 13.7,

### *32. Authorize Capital Issuances for Use in Employee Stock Purchase Plans*

Authority for a capital increase for up to 1% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.0, Oppose/Withhold: 1.2,

### *A. Shareholder Resolution: Amending Item 31 of Current Meeting to Align the Allocation of Free Shares to the Group Employees with that of LTIP Incentives for Executives*

Shareholder Proposals Submitted by Fonds Commun de Placement d'Entreprise Orange Actions.

It is proposed that the Board of Directors allocate free shares of the Company to all Group employees with the same regularity as the allocation of LTIP for the benefit of Corporate Officers and certain Orange group employees. The total number of free shares granted to employees, in addition to the total number of free shares that would be granted under the thirty-first resolution, may not represent more than 0.4% of the Company's share capital on the date of this Shareholders' Meeting and these shares will be of the same nature as those that may be allocated under this resolution. Any allocation under this resolution decided by the Board of Directors pursuant to this resolution will necessarily be subject in full to the achievement of one or more performance conditions set by the Board.

It is considered that the intention of aligning remuneration of employees with that of executives is a good one. Nevertheless, there are serious concerns with the implementation of this authority, such as the discretion of performance criteria and targets, or vesting and performance period. LTIPs are inherently flawed and it is considered that there is no need for additional LTIPs where shareholders and employee shareholders could not make an informed decision before authorising.

Vote Cast: *Oppose*

Results: For: 16.1, Abstain: 2.2, Oppose/Withhold: 81.6,

## **CHINA EVERBRIGHT INTL LTD AGM - 18-05-2021**

### *3.3. Elect Zhai Haitao - 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*

#### *3.4. Authorise the Board to Fix Directors' Remuneration*

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*

#### *4. Approve Ernst & Young as Auditor and Authorize Board to Fix Their Remuneration*

EY proposed. Non-audit fees represented 19.40% of audit fees during the year under review and 51.19% 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.

*Vote Cast: Oppose*

#### *5.1. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *5.2. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

### **KELLER GROUP PLC AGM - 19-05-2021**

#### *1. Accept Financial Statements and Statutory Reports*

The annual report was 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 annual report and 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: 0.9, Oppose/Withhold: 0.0,

## 2. Approve Remuneration Policy

Policy disclosure with regards to Directors' salaries and fees is considered adequate. Maximum potential benefits are not disclosed. The Company does not consult employees on executive pay, however, pay elsewhere is used in determining directors pay. Pension contributions are considered excessive as the CEO's salary is in the upper quartile of a comparator group. The policy is to defer 25% of any bonus earned into shares for two years. Best practice would require at least 50% of any bonus deferred into the Company shares over at least two years. Furthermore, the performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. The LTIP is subject to three years performance which is not sufficiently long term. However, there is an additional two-year holding period which is welcome. The PSP has no appropriate non-financial KPIs, such as ESG metrics and its performance conditions are not interdependent. The performance measures include only financial metrics and operate independent of each other. Accrued dividends are payable on LTIPs for the duration of the performance period, which is considered inappropriate. Dividend payments must warrant subscriptions to the the share capital of the company, which is not the case on LTIPs. The CEO's maximum potential opportunity under all incentive schemes can amount to 300% of salary (350% in exceptional circumstances), which exceeds the recommended threshold of 200% of salary. There are share incentive schemes available to enable all employees to benefit from business success without subscription. Whilst, under the new policy, directors must build up an adequate shareholding of 200% there appears to be no time limit in which this must be achieved. Best practice would see 200% of base salary being held in Company shares by directors within a five year period. On recruitment, it is noted that the exceptional limit under the PSP awards can be used to recruit executives which is considered in appropriate. On termination, the Committee may use upside discretion to preserve some or all of the awards under the PSP depending on the leaver's status of an Executive. On change of control, the Committee retains discretion to treat awards differently, taking into account the relevant circumstances at the time. Such use of high level discretion is not considered appropriate.

Rating: BDD

Vote Cast: *Oppose*

Results: For: 90.2, Abstain: 0.0, Oppose/Withhold: 9.8,

## 3. Approve the Remuneration Report

**Disclosure:** Cash remuneration, share incentive awards and pension contributions are adequately disclosed as is the performance criteria and specific targets attached to the LTIP awards. However, accrued dividends on share incentive awards are not separately categorised.

**Balance:** The CEO's salary is considered in the upper quartile of a peer comparator group which raises concerns over excessiveness. The ratio of CEO to average employee pay is not considered acceptable at 25:1. Additionally, the balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period.

Rating: BC

Vote Cast: *Abstain*

Results: For: 90.4, Abstain: 0.8, Oppose/Withhold: 8.8,

## 5. Appoint the Auditors

EY proposed. Non-audit fees represented 6.67% of audit fees during the year under review and 2.13% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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,

#### 8. *Elect Peter Hill - Chair*

Independent Non-Executive Chair. The Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.4, Abstain: 0.8, Oppose/Withhold: 0.9,

#### 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: 94.9, Abstain: 1.2, Oppose/Withhold: 3.9,

#### 17. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% and 12 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: 97.9, Abstain: 0.1, Oppose/Withhold: 2.0,

### **QLIRO AB AGM - 19-05-2021**

#### 12. *Resolution on New Guidelines for Remuneration to Senior Executives*

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. 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*

### *14. Authorize the Board of Directors to Resolve on a New Issue of Shares*

Authority is sought to issue shares without pre-emptive rights to an amount of more than 10% of the share capital, which is deemed excessive. Opposition is recommended.

*Vote Cast: Oppose*

## **AGEAS NV AGM - 19-05-2021**

### *2.3.2. Discharge the Auditors*

In this market, auditors discharge may prevent lawsuits or claims for activities carried out during the year relating to facts that have not been disclosed to shareholders. As a consequence, releasing auditors from liability will weaken the governance framework and introduce great risks for investors. On this basis, opposition is recommended.

*Vote Cast: Oppose*

### *3. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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*

### *4.3. Elect Bart De Smet - Chair (Non Executive)*

Non Executive Chair. Not considered independent as the director was previously employed by the Company as Chief Executive Officer. It is considered that the Chair should be considered independent, irrespective of the level of independence of the Board.

Vote Cast: *Oppose*

#### 6. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% and 24 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*

### **PERMANENT TSB GROUP HOLDINGS PLC AGM - 19-05-2021**

#### 3.L. *Re-elect Ruth Wandhöfer - 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. *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*

#### 8. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares up to 10% 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*

### **DIALIGHT PLC AGM - 19-05-2021**

#### 1. *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 some concerns over the Company's sustainability policies and practice. In addition to the board-level accountability, it is recommended to abstain also from voting on the annual report, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for approval.

Vote Cast: *Abstain*

Results: For: 99.7, Abstain: 0.3, Oppose/Withhold: 0.0,

### 3. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 1.1, Oppose/Withhold: 3.7,

### 4. *Appoint KPMG as 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 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,

### 6. *Elect David Blood - Chair (Non Executive)*

Chair. Not considered independent as he was recommended to the Board by the Company's largest shareholder, Generation Investment Management LLP. 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. There are concerns over his potential aggregate time commitments and he has attended less than 90% of board and committee meetings he was eligible to attend during the year under review.

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 addition to issues with independence and time commitments, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.0, Oppose/Withhold: 2.9,

**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: 99.6, Abstain: 0.0, Oppose/Withhold: 0.4,

**17. Authorise Share Repurchase**

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

**MONDELEZ INTERNATIONAL INC AGM - 19-05-2021**

**1c. Elect Lois D. Juliber - Non-Executive Director**

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is the Chair of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 95.0, Abstain: 0.3, Oppose/Withhold: 4.7,

**1g. Elect Fredric G. Reynolds - Non-Executive Director**

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is 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: 94.5, Abstain: 0.3, Oppose/Withhold: 5.2,

**1k. Elect Jean-Francois M.L. van Boxmeer - Lead Independent Director**

Lead Independent Director. Not considered independent owing to a tenure of over nine years. Regardless of the level of independence, it is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 92.7, Abstain: 0.3, Oppose/Withhold: 7.0,

### 11. *Elect Dirk Van de Put - 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. In addition, 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 and the merging of the CEO and Chair roles, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 93.3, Abstain: 0.9, Oppose/Withhold: 5.9,

### 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: 89.3, Abstain: 3.5, Oppose/Withhold: 7.2,

### 3. *Ratify PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 0.27% of audit fees during the year under review and 0.24% 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: 0.2, Oppose/Withhold: 3.1,

## **FISERV INC. AGM - 19-05-2021**

### 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: CEE. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 62.3, Abstain: 0.4, Oppose/Withhold: 37.3,

### 3. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 11.13% of audit fees during the year under review and 14.45% 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*

Results: For: 96.0, Abstain: 0.3, Oppose/Withhold: 3.7,

## LANXESS AG AGM - 19-05-2021

### 5.1. *Ratify PricewaterhouseCoopers GmbH as Auditors for Fiscal Year 2021*

PwC proposed. Non-audit fees represented 6.20% of audit fees during the year under review and 7.00% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

### 5.2. *Ratify PricewaterhouseCoopers GmbH as Auditors for Half-Year and Quarterly Reports 2021*

PwC proposed. Non-audit fees represented 6.20% of audit fees during the year under review and 7.00% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

### 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*

## UNIPER SE AGM - 19-05-2021

### 3. *Approve Discharge of Management Board for Fiscal Year 2020*

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. *Approve Discharge of Management Board for Fiscal Year 2020*

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: 94.5, Abstain: 0.0, Oppose/Withhold: 5.5,

### 5. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 10.19% of audit fees during the year under review and 8.66% 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: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

### 6.2. *Elect Esa Hyvärinen - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. Mr, Esa Hyvärinen is current CEO of Fortum Oyj, which signed an affiliation agreement with UNIPER SE at the AGM 2019. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 93.6, Abstain: 0.0, Oppose/Withhold: 6.4,

### 8. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy with a binding vote. Variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which may lead to overpayment against underperformance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. Nevertheless, opposition is recommended based on potential excessive variable remuneration.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.0, Oppose/Withhold: 2.4,

### 10. *Approve Creation of EUR 145.1 Million Pool of Capital without Preemptive Rights*

The company requests the authority to cancel the existing authorised capital, create a new authorised capital and make the relevant amendments to the Articles. The authority would allow the company to increase the share capital by issuing shares to be distributed against payment to existing shareholders. Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital, which it is according to the guidelines. However, the duration of the authority exceeds 12 months due to the authorization is until 18 May 2026. It is considered that shareholders should have the occasion to vote on such resolutions annually. Therefore, oppose is recommended.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.0, Oppose/Withhold: 2.0,

### 11. *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 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*

Results: For: 98.4, Abstain: 0.0, Oppose/Withhold: 1.6,

### 13. *Elect Nora Steiner-Forsberg - Non-Executive Director*

Shareholder Proposal Submitted by Fortum Deutschland SE.



Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Vice President, Generation Legal at Fortum Oyj. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 93.7, Abstain: 0.0, Oppose/Withhold: 6.3,

## **NORDIC ENTERTAINMENT GROUP AGM - 19-05-2021**

### *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*

### *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*

### *17.a. Approve Performance Share Plan LTIP 2021 for Key Employees*

It is proposed to approve a new long term incentive plan. The plan will consist of [Insert Type of Awards]. The Company has not disclosed the performance criteria for the allocation of incentives, and as such there are concerns that it may overpay for underperformance. In addition, LTIPs are not considered an effective means of incentivising performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature. Opposition is recommended.

Vote Cast: *Oppose*

### *17.b. Approve Equity Plan Financing Through Issuance of Class C Shares*

It is proposed to increase the share capital by issuing new shares to the service of the incentive plan proposed at this meeting: thus, opposition is recommended based on the concerns identified on the proposed incentive plan.

Vote Cast: *Oppose*

### *17.c. Approve Equity Plan Financing Through Repurchase of Class C 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*

*17.d. Reissue of Treasury Shares with Pre-emption Rights Disapplied*

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*

*17.e. Approve Issue of Shares for Private Placement*

As a consequence of the approval of the LTIP 2021 proposed on this agenda, it is proposed to enter into a swap agreement with a third party, under which the third party shall, in its own name, acquire and transfer shares of Class B shares in NENT to participants in LTIP 2021. The interest cost for such a swap agreement is estimated to SEK 1 million per year based on the current interest levels and a share price of SEK 412. Given that opposition was recommended on the corresponding LTIP 2021, opposition is maintained on this item as well.

*Vote Cast: Oppose*

**AMPHENOL CORPORATION AGM - 19-05-2021**

*1.1. Elect Stanley L. Clark - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although, there is sufficient independent representation on the Board, it is noted that the director is the Chair of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 93.5, Abstain: 0.0, Oppose/Withhold: 6.5,*

*1.4. Elect Edward G. Jepsen - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. In addition, not considered independent as the director was previously employed by the Company as Executive Vice President and CFO of the Company from 1989 through 2004. Although there is sufficient independent representation on the Board, it is noted that the director is the Chair of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 95.4, Abstain: 0.0, Oppose/Withhold: 4.6,*

*1.7. Elect Martin H. Loeffler - Chair (Non Executive)*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years. In addition, not considered independent as Mr. Loeffler held various executive

positions at the Company from 1987 until his retirement in December 2010. 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. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.4, Abstain: 0.0, Oppose/Withhold: 3.5,

### *2. Ratify Deloitte & Touche LLP as Auditors*

Deloitte proposed. Non-audit fees represented 7.75% of audit fees during the year under review and 5.63% 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: 96.1, Abstain: 0.4, Oppose/Withhold: 3.5,

### *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: DDB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 89.2, Abstain: 0.0, Oppose/Withhold: 10.7,

## **ROSS STORES INC AGM - 19-05-2021**

### *1.a. Elect K. Gunnar Bjorklund - 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: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

### *1.b. Elect Michael J. Bush - 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: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

### *1.c. Elect Sharon D. Garrett - 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: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

### *1.g. Elect George P. Orban - 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: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

*1.h. Elect Gregory L. Quesnel - Senior Independent 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: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

*1.j. Elect Barbara Rentler - Chief Executive*

Chief Executive. As neither the Chair of the Sustainability Committee nor the Board Chair is up for re-election, 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: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

*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: EED. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

*3. Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 23.02% of audit fees during the year under review and 11.23% 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: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

**KANSAS CITY SOUTHERN AGM - 20-05-2021**

*1.1. Re-elect Lydia I. Beebe - 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: 93.3, Abstain: 0.1, Oppose/Withhold: 6.6,

*1.2. Re-elect Lu M. Córdova - 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, 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*

*Results: For: 97.3, Abstain: 0.2, Oppose/Withhold: 2.5,*

### *1.3. Re-elect Robert J. Druten - Chair (Non Executive)*

Non-Executive Chair. 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 Nominating Committee, in charge of the ESG matters, is not up for election, members of the Nominating Committee are considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 91.8, Abstain: 0.1, Oppose/Withhold: 8.1,*

### *1.4. Re-elect Antonio O. Garza Jr. - 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: Abstain*

*Results: For: 97.6, Abstain: 0.2, Oppose/Withhold: 2.2,*

### *1.5. Re-elect David Garza-Santos - 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: 93.3, Abstain: 0.3, Oppose/Withhold: 6.5,*

### *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: 52.2, Abstain: 0.5, Oppose/Withhold: 47.3,*

## **SKYWORTH DIGITAL HLDS LTD AGM - 20-05-2021**

### *2.A. Elect Lai Weide*

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*

### *2.C. Elect Li Weibin - 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*

### *3. Authorise the Board to Fix Directors' Remuneration*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

### *4. Appoint the Auditors and Allow the Board to Determine their Remuneration*

Deloitte proposed. Non-audit fees represented 170.00% of audit fees during the year under review and 88.46% 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*

### *5. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

### *6. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

### *7. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

## SECURE INCOME REIT PLC AGM - 20-05-2021

### *1. Receive the Annual Report*

The functions of Investment Manager and Company Secretary are performed by two different companies, which is welcomed.

The company have disclosed a voting policy indicating how they vote on issues relating to investment and investee companies. In addition, it is also noted ESG matters are taken into account in investment decisions which is welcomed. However, a dividend was paid during the year but was not put forward for shareholder's approval, which is contrary to best practice. The legal definition for investment companies permits payments of dividend regardless of capital reserves. It is therefore considered that shareholder consent to dividend is a necessary safeguard and should be sought accordingly. Based on this concern, an oppose vote is recommended.

Vote Cast: *Oppose*

### *9. Re-appoint BDO LLP as the Auditors*

BDO LLP proposed. Non-audit fees represented 0.00% of audit fees during the year under review and 1.36% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

### *12. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

### *13. Issue Shares for Cash*

Authority is sought to issue more than 10% of the issued share capital for cash and expires at the next AGM. The proposed limit is considered excessive. An oppose vote is recommended.

Vote Cast: *Oppose*

## LEGAL & GENERAL GROUP PLC AGM - 20-05-2021

### *6. Re-elect Philip Broadley - Senior Independent Director*

Senior Independent Director. Considered independent. However, Mr. Broadley is also 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: 98.0, Abstain: 0.0, Oppose/Withhold: 2.0,

### 13. *Re-appoint KPMG LLP as Auditors*

KPMG proposed. Non-audit fees represented 5.94% of audit fees during the year under review and 10.78% 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: 98.7, Abstain: 0.0, Oppose/Withhold: 1.3,

### 17. *Issue Shares with Pre-emption Rights in respect of Contingent Convertible Securities*

Authority is sought to allot shares and grant rights to subscribe for or to convert any security into ordinary shares in the Company up to an aggregate nominal amount of £20,000,000 representing approximately 13.4% of the Company's issued ordinary share capital as at 31 March 2021, such authority to be exercised in connection with the issue of Solvency II (SII) Restricted Tier 1 (RT1) instruments. The authority expires at the next AGM. The Company explains that this authority is needed so that the Company has the flexibility to manage and maintain its and the Group's capital structure more effectively in the light of evolving regulatory capital requirements, market conditions and appetite for different instruments and their cost-effectiveness.

The use of Contingent Convertible Securities (or CoCos) is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. There are concerns that CoCos may create a situation which whilst converting some debt to equity actually disincentives equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Past events at Deutsche Bank has led to others voicing their concerns about the destabilizing effect of CoCos on both the CoCo price and the share price. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.1, Abstain: 0.0, Oppose/Withhold: 0.8,

### 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: 97.5, Abstain: 0.0, Oppose/Withhold: 2.5,

#### 21. *Issue Shares for Cash in Connection with the Issue of Contingent Convertible Securities*

Authority for the Board to allot shares and grant rights to subscribe for or to convert any security into shares in the company on a non-pre-emptive basis up to an aggregate nominal amount of £20,000,000, representing approximately 13.4% of the company's issued ordinary share capital as at 31 March 2021. This authority is supplementary to Resolution 17, giving the company the additional flexibility to offer such instruments without first offering them to existing shareholders and will expire at next AGM. In line with the voting recommendation in resolution 17, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,

#### 22. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.4, Oppose/Withhold: 1.5,

### **IMPAX ENVIRONMENTAL MARKETS PLC AGM - 20-05-2021**

#### 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: 96.5, Abstain: 0.0, Oppose/Withhold: 3.4,

### **THE TRAVELERS COMPANIES INC. AGM - 20-05-2021**

#### 1.a. *Elect Alan L. Beller - 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: 95.2, Abstain: 0.2, Oppose/Withhold: 4.6,

1.b. *Elect Janet M. Dolan - 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: 95.5, Abstain: 0.2, Oppose/Withhold: 4.3,

1.c. *Elect Patricia L. Higgins - 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: 0.2, Oppose/Withhold: 4.5,

1.d. *Elect William J. Kane - 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: 97.9, Abstain: 0.2, Oppose/Withhold: 1.9,

1.g. *Elect Elizabeth E. Robinson - 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: 98.5, Abstain: 0.2, Oppose/Withhold: 1.3,

1.h. *Elect Philip T. (Pete) Ruegger III - Non-Executive Director*

Independent Non-Executive Director. Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.7, Abstain: 0.2, Oppose/Withhold: 3.1,

1.j. *Elect Alan D. Schnitzer - 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: 94.6, Abstain: 0.7, Oppose/Withhold: 4.6,

1.k. *Elect Laurie J. Thomsen - 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: 95.1, Abstain: 0.2, Oppose/Withhold: 4.7,

## *2. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 1.60% of audit fees during the year under review and 1.58% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. 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: 96.4, Abstain: 0.2, Oppose/Withhold: 3.4,

## *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: AED. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.4, Abstain: 0.4, Oppose/Withhold: 5.2,

## *4. Amend Omnibus Stock Plan*

It is proposed to amend the Stock Incentive Plan. The Amended Plan provides for grants of the following specific types of awards, and also permits other equity-based or equity-related awards (each, an "Award" and, collectively, "Awards"). Each Award will be evidenced by an award agreement (an "Award Agreement"), which will govern that Award's terms and conditions..

There are concerns with the Plan as the it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, maximum award limits are excessive. As a result, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.1, Abstain: 0.3, Oppose/Withhold: 3.5,

## **AIA GROUP LTD AGM - 20-05-2021**

### *4. Elect Chung-Kong Chow*

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*

### *5. Elect John Barrie Harrison - 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*

#### *8. Approve PricewaterhouseCoopers as Auditor and Authorize Board to Fix Their Remuneration*

PwC proposed. Non-audit fees represented 6.50% of audit fees during the year under review and 13.67% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The date of appointment of the current audit firm is undisclosed, meaning the length of tenure is not known. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Oppose*

#### *9.B. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

### **GRIFOLS SA AGM - 20-05-2021**

#### *1. Approve Standalone Financial Statements, Allocation of Income, and Dividend Payment for Class B Shares*

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*

#### *2. Approve Consolidated 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*

#### *5. 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*

#### *7. Renew Appointment of KPMG Auditores as Auditor of Consolidated Financial Statements*

KPMG proposed. Non-audit fees represented 3.81% of audit fees during the year under review and 6.97% 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*

#### *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*

#### *11. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 15% 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*

### **BAKKAHOR GROUP PLC AGM - 20-05-2021**

#### *1. Accept Financial Statements and Statutory Reports*

Disclosure is inadequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, there are concerns over the company's lack of disclosure of key health and safety performance goals and indicators, including lost time injuries, fatalities and rates of occupational disease. During the COVID-19 pandemic in particular, we would expect coronavirus contraction rates and any fatalities to be reported on. Opposition is recommended.

*Vote Cast: Oppose*

Results: For: 99.8, Abstain: 0.1, Oppose/Withhold: 0.1,

#### *2. Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The CEO's salary is in the median quartile of PIRC's comparator group which raises concerns over the excessiveness of his pay.

**Balance:**The CEO he did not receive Bonus or LTIP award during the year. The ratio of CEO pay compared to average employee pay is not acceptable at 35:1; it is recommended that the ratio does not exceed 20:1.

Rating: AD

*Vote Cast: Oppose*

Results: For: 99.0, Abstain: 0.0, Oppose/Withhold: 1.0,

### *3. Approve Remuneration Policy*

A third of the annual bonus is deferred into shares for three years. Although share deferral is welcomed, the amount deferred is not considered adequate; it is recommended that at least half of the annual bonus is subject to share deferral. The Company uses more than one performance condition, though they do not operate interdependently. Awards are subject to malus and clawback. 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. The Company uses more than one performance condition, though both are financial based and run independently; it is recommended that at least one non-financial KPI is used, and that performance conditions operate interdependently. Dividend equivalents may be accrued on vested share awards from the date of grant. Such rewards are not supported as they mis-align shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. Malus and clawback provisions apply. Total potential variable pay is considered excessive at 275% of salary; it is recommended that total variable pay is limited to 200% of salary. However, currently the CEO is not entitled to awards under the Bonus and the LTIP, which is commended. There is no time-frame set for Executive Directors to build up their shareholding requirements. It is recommended that for a requirement of 200% of salary, a time frame of 5 years maximum is set, or alternatively, if no time-frame is set, then for all share awards to be retained, rather than just half, which the Company has set.

Rating: BDD.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

### *9. Elect Simon Burke - Chair (Non Executive)*

Non-Executive Chair of the Board. As the company do not have a sustainability committee, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. Additionally, there is no disclosure of in the company's annual reporting of COVID cases at workplace since the outbreak of the pandemic. Companies are in a position where data regarding COVID cases should be disclosed. Particularly if there are fatalities, companies are expected to disclose whether any of them are related to COVID. This director is considered responsible for such lack of disclosure and opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

### *15. Appoint the Auditors*

PwC proposed. Non-audit fees represented 0.00% of audit fees during the year under review and 17.65% 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,

#### *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: 99.4, Abstain: 0.0, Oppose/Withhold: 0.6,

#### *20. Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.8, Abstain: 0.0, Oppose/Withhold: 0.1,

### **SMART METERING SYSTEMS PLC AGM - 20-05-2021**

#### *2. Elect Miriam Greenwood - Chair (Non Executive)*

Non-Executive Chair. Not considered independent as the director has a relationship with the Company, which is considered material. It is noted he is a director at River & Mercantile Asset Management Ltd which owns 3.10% of the issued share capital at the company. It is a generally accepted norm of good practice that the Chair of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. In addition, it is noted that the director is a member of the Audit and Remuneration committees which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

#### *9. Approve the Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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*

### *10. Re-appoint Ernst & Young as the Auditors*

EY proposed. Non-audit fees represented 22.56% of audit fees during the year under review and 5.50% 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*

## **TECHNIPFMC PLC AGM - 20-05-2021**

### *1.a. Elect Douglas J. Pferdehirt - 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. Approve the Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive with an advisory vote. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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*



### *6. Ratification of PwC as U.S. Auditor:*

PwC proposed. Non-audit fees represented 1.82% of audit fees during the year under review and 3.27% 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*

### *7. Reappointment of PwC as U.K. Statutory Auditor*

PwC proposed. Non-audit fees represented 1.82% of audit fees during the year under review and 3.27% 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).

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*Vote Cast: Oppose*

### *9. 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*

### *11. Issue Shares for Cash*

The authority sought is limited to 10% of the Company's issued share capital and expires at the next AGM. This exceeds the recommended 5% maximum. An oppose vote is recommended.

*Vote Cast: Oppose*

## **BANK OF CHINA LTD AGM - 20-05-2021**

### *3. Approve 2020 Annual Financial Report*

Disclosure is acceptable and the report was made available sufficiently before the meeting. However, the following serious corporate governance concerns have been identified. The company has been fined for inconsistencies in data reporting and at this date has not appointed yet a data officer. As such, there are concerns that the statements may not reflect accurately the financial impact of data throughout the company. An oppose vote is recommended.

*Vote Cast: Oppose*

### *7. Approve 2020 Remuneration Distribution Plan of Supervisors*

It is proposed to approve the payment plan of remuneration to supervisors for the past year. Shareholder supervisors receive performance-based salary, which is not considered to be best practice given the controlling nature of this body, although in line with market practice. Moreover, the company did not disclose the Supervisors 2020 annual assessment results. Opposition is recommended.

*Vote Cast: Oppose*

### *8. Elect Liu Liange*

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. Elect Jiang Guohua*

Non-Executive Director. Not considered independent. The director is considered to be connected with a significant shareholder as the company has disclosed that Mr Jiang Guohua is remunerated by shareholding companies or other connected parties. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *13. Approve the Bond Issuance Plan*

It is proposed to issue additional Tier 1 capital bonds for up to 1% of the Bank's latest audited total assets and until next Annual General Meeting, at an interest rate to be determined with reference to market interest rates.

The use of Tier 1 capital bonds are not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. Such instrument are relatively new instruments and there are concerns that they may create a situation which whilst converting some debt to equity actually disincentivises equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

### *14. Approve the Issuance of Write-down Undated Capital Bonds*

It is proposed the issuance of write-down undated capital bonds of value until 31 December 2023. The value of the operation will not be more than RMB 100 billion, or equivalent in foreign currencies. The goal of the issuance is to further enhance the capital adequacy level and strengthen the capability of sustainable development of the Bank. There is no indication that these instruments will be convertible into shares, and therefore there is no risk of unexpected dilution of existing shareholders, it is considered that authorities for private placement should be duly justified, namely regarding the rationale and the beneficiary of the placement. In lack of it, opposition is recommended.

*Vote Cast: Oppose*

### *15. Approve the Issuance of Qualified Write-down Tier 2 Capital Instruments*

It is proposed the issuance of write-down undated capital bonds of value until 31 December 2023. The value of the operation will not be more than RMB 100 billion, or equivalent in foreign currencies. The goal of the issuance is to further enhance the capital adequacy level and strengthen the capability of sustainable development of the Bank. There is no indication that these instruments will be convertible into shares, and therefore there is no risk of unexpected dilution of existing shareholders, it is considered that authorities for private placement should be duly justified, namely regarding the rationale and the beneficiary of the placement. In lack of it, opposition is recommended.

*Vote Cast: Oppose*

## **HENRY BOOT PLC AGM - 20-05-2021**

### *1. Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 98.1, Abstain: 1.9, Oppose/Withhold: 0.0,

### 3. *Approve the Remuneration Report*

**Disclosure:** All elements of the directors single figure table are adequately disclosed, however performance targets do not appear to be. PBT as a bonus target is considered an inappropriate executive performance measure as it is not in line with the shareholder experience of benefiting from profits after tax. It is noted the PBT target is considered commercially sensitive and will be disclosed retrospectively. The non-disclosure of these measures makes it difficult to ascertain how challenging the targets are.

**Balance:** The CEO's salary is in the lower quartile of the Company's comparator group. The CEO received a salary increase of 1% with effect from 1 January 2021, in line with the average increase for the workforce. The changes in CEO total pay over the last five years are commensurate with the changes in Company's TSR performance over the same period. Total variable pay for the year under review is at 66.39% of the salary which is in line with best practice, and only consisted of annual bonus. The ratio of CEO pay compared to average employee pay is acceptable at 16:1.

Rating: CA

Vote Cast: *Abstain*

Results: For: 96.2, Abstain: 2.8, Oppose/Withhold: 1.0,

### 4. *Approve Remuneration Policy*

#### **Policy Rating: BDC**

Changes proposed are as follows: Increase the shareholding requirement for the Finance Director from 150% to 200% of base salary and to add post-employment shareholding requirements, reduce pension contribution for current and future Executive Directors to align to the workforce rate. For the Finance Director the pension will reduce from 20% of salary to the workforce rate (currently 8%) from 1 January 2022, add a deferred share element to the annual bonus, reduce the policy limit in the Long-Term Incentive Plan from 200% to 175% of salary.

The annual bonus has a maximum opportunity at 100% of the salary and in exceptional circumstances 120%. Two thirds of the Bonus is paid in cash. One third of the bonus earned will be invested into shares and deferred for three years, and malus and clawback provisions apply. The performance criteria will be comprised of a majority of financial targets, as well as individual targets. The LTIP has a maximum opportunity of 175% of the salary. The remuneration committee typically awards LTIP shares annually to Executive Directors equal to 100% of basic salary. Awards vest after the third anniversary of grant subject to performance conditions. The rules include a holding period of two years post vesting, and malus and clawback conditions. Performance conditions and targets will be set each year linked to business KPIs in line with the strategy, or a measure of total shareholder return. The Executive Directors minimum shareholding requirements is 200% for the Chief Executive Officer and Group Finance Director. Maximum potential variable remuneration is considered to be excessive as it exceeds 200% of salary. Additionally, it is considered that prospective targets are not adequately disclosed.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.0, Oppose/Withhold: 2.0,

### 6. *Elect Jamie Boot - Chair*

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: 94.9, Abstain: 1.9, Oppose/Withhold: 3.2,

### [9. Elect James Sykes - 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: 98.1, Abstain: 0.0, Oppose/Withhold: 1.9,

### [12. 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*

Results: For: 97.9, Abstain: 0.1, Oppose/Withhold: 2.1,

### [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: 95.8, Abstain: 2.3, Oppose/Withhold: 1.9,

## **DTE ENERGY COMPANY AGM - 20-05-2021**

### [2. Re-appoint PricewaterhouseCoopers LLP as the Auditors](#)

PwC proposed. Non-audit fees represented 9.02% of audit fees during the year under review and 18.08% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.1, Oppose/Withhold: 1.0,

### 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: 96.2, Abstain: 0.5, Oppose/Withhold: 3.3,

### 4. *Amend Existing Long Term Incentive Plan*

The Board is seeking shareholder approval of the amendment and restatement of the DTE Energy Company Long-Term Incentive Plan (LTIP). The Board are proposing the following changes: (1) increase the aggregate number of shares of common stock that may be issued or acquired and delivered under the LTIP pursuant to the exercise of options, the grant of stock awards and the settlement of performance shares and performance units by 3,000,000 to 19,500,000 and (2) extend the life of the plan for a term of ten years from the January 2021 date of approval of the restatement by the Board. It is anticipated the share increase will ensure the plan has sufficient shares authorized to satisfy the needs of the plan through the end of 2025. For full details on the LTIP plan, see page 31 of the Proxy Statement.

LTIP schemes are not considered an effective means of incentivizing performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 96.2, Abstain: 0.4, Oppose/Withhold: 3.4,

### 6. *Shareholder Resolution: Greenwashing Audit*

**Proponent's argument:** Shareholders request that, beginning in 2021, DTE Energy annually publish a report of actually incurred corporate costs and associated actual and significant benefits accruing to shareholders and the climate from DTE Energy's global climate-related activities that are voluntary and exceed government regulatory requirements. The report should be prepared at reasonable cost and omit proprietary information. "DTE Energy's purpose is to generate profits from generating affordable and reliable electricity while obeying applicable laws and regulations. Maintaining coal plants is the least expensive option for generating electricity per the U.S. Department of Energy's National Coal Council 2018 report, "Power Reset". Yet DTE Energy management intends to shutter its remaining coal plants, presumably in hopes of somehow altering global climate change. This resolution is intended to help shareholders monitor whether DTE Energy's voluntary activities and expenditures touted as protecting the climate are actually producing meaningful benefits to shareholders and the global climate. Corporate managements sometimes engage in "greenwashing" i.e., spending shareholder money on schemes ostensibly environment-related, but really undertaken merely for the purpose of improving the public image of management. Such insincere "green" posturing and associated touting of alleged, but actually imaginary benefits to public health and the environment may harm shareholders by distracting management, wasting corporate assets, ripping off ratepayers and deceiving shareholders and the public. For example, DTE Energy intends eliminate carbon dioxide emissions to "net zero" by 2050. This action is not required by any federal or state, law or regulation."

**Company's response:** The board recommends a vote against this proposal. "The Proponent states that "Maintaining coal plants is the least expensive option for generating power. . ." and cites the U.S. Department of Energy's National Coal Council 2018 report, "Power Reset" for that analysis. This report utilized a national average of the cost of existing coal generation compared to other options (natural gas, nuclear, and renewables). However, DTE Energy, cannot use a national average figure in making our determination of which technology to use to generate electricity in its service territory. Instead, actual costs for actual power plants must be utilized rather than a national average. In order to ensure our customers are receiving the most cost-effective electricity options, we undertake complex analyses utilizing a range of cost projections for generating options and fuel prices, and also consider existing and future potential state and federal environmental regulations. [...] Nations and companies have been evaluating potential strategies to reduce GHG emissions in support of meeting the 2 Celsius limit recommended by the Paris Agreement and other organizations such as the Task Force on Climate-related Disclosures. Experts have developed recommendations for specific sector contributions to this reduction,

based on current emissions trajectories and potential for reductions. DTE Energy's global climate-related activities are based upon these recommendations."

**PIRC analysis:** Increased disclosure would normally be considered to be in shareholders' interests. However, the proposed report is considered to be based on flawed methodology. The proponent seeks a report exclusively focused on short-term costs and benefits for the company, excluding the long-term benefits (also economic) of a lower carbon emission strategy. It is considered that shareholders should instead be focused on long-term value creation. Ignoring the potential long-term costs of ignoring climate change is not considered to be in shareholders best interests. Additionally, the methodology used by the proponent appears to be flawed, as the link made by the proponent to green washing is seemingly an artificial one. The Company's policy of reducing the number of coal power plants it operates is a material and positive change from an environmental perspective, not a green-washing activity. On balance, a vote in opposition of the resolution is recommended.

Vote Cast: *Oppose*

Results: For: 2.4, Abstain: 0.7, Oppose/Withhold: 96.9,

## **ADCAPITAL AG AGM - 20-05-2021**

### *2. Approve allocation of income and omission of dividends*

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. Discharge of the Management Board*

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. Discharge of the Supervisory Board*

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. Ratify Baker Tilly GMBH CO. KG as Auditors for fiscal 2020*

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. Elect Board: Slate Election*

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. 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*

*8. Amend Articles: Proof of share ownership*

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*

*9. Amend Articles: Online participation*

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*

**TENCENT HOLDINGS LTD AGM - 20-05-2021**

*3.a. Elect Yang Siu Shun - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he was until 2015, a senior executive of PwC, the current external auditor of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*3.b. Authorise the Board to Fix Directors' Remuneration*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

*4. Appoint the Auditors and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 21.26% of audit fees during the year under review and 30.48% on a three-year aggregate basis. This level of non-audit fees raises some 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*

*5. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.



Vote Cast: *Oppose*

#### 6. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

#### 7. *Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

Vote Cast: *Oppose*

### **TENCENT HOLDINGS LTD EGM - 20-05-2021**

#### 1. *Adopt Share Option Plan of China Literature Limited*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted stock options, each of which will give right to one share. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

### **ALTRIA GROUP INC. AGM - 20-05-2021**

#### 1a. *Elect John T. Casteen III - 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. In addition, it is noted that the director is a member of the Audit and Compensation committees which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.4, Oppose/Withhold: 2.5,

#### 1b. *Elect Dinyar S. Devitre - 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: 97.3, Abstain: 0.4, Oppose/Withhold: 2.4,

*1e. Elect W. Leo Kiely III - 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. In addition, it is noted that the director is the Chair of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.9, Abstain: 0.4, Oppose/Withhold: 2.7,

*1f. Elect Kathryn B. McQuade - 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. In addition, it is noted that the director is a member of the Audit and Compensation committees which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 0.3, Oppose/Withhold: 2.0,

*1g. Elect George Munoz - 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. In addition, it is noted that the director is the Chair of the Audit committee which should comprise wholly of independent directors. There are also concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.1, Abstain: 0.4, Oppose/Withhold: 3.6,

*1i. Elect Nabil Y. Sakkab - 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: 97.2, Abstain: 0.4, Oppose/Withhold: 2.4,

*2. Appoint the Auditors*

PwC proposed. Non-audit fees represented 18.34% of audit fees during the year under review and 16.03% 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: 96.4, Abstain: 0.3, Oppose/Withhold: 3.2,

*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: 84.5, Abstain: 0.9, Oppose/Withhold: 14.6,

## NEXT PLC AGM - 20-05-2021

### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The CEO's salary is in line with the workforce. The salary of the CEO is in the median of the competitor group.

**Balance:** The balance of CEO realized pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. The CEO's total realized rewards under all incentive schemes amounts to approximately 150% of his base salary (Annual Bonus: nil & LTIP: 150%) and is not considered excessive. It is noted that no Bonus was paid for the year under review which is commendable. The ratio of CEO pay compared to average employee pay is unacceptable at 35:1, it is recommended that the ratio does not exceed 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 91.8, Abstain: 2.2, Oppose/Withhold: 6.0,

### 8. *Re-elect Michael Roney - Chair (Non Executive)*

Chair. Independent upon appointment. 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: 84.1, Abstain: 2.2, Oppose/Withhold: 13.7,

### 12. *Re-appoint PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 8.74% of audit fees during the year under review and 15.55% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,*

#### *16. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

*Vote Cast: Oppose*

*Results: For: 96.4, Abstain: 0.0, Oppose/Withhold: 3.5,*

#### *18. Authorize the off-market purchases of own shares*

As in previous years, the company seeks authority to enter into off-market contingent purchase contracts with any of Goldman Sachs International, UBS AG, BNP Paribas and Barclays Bank plc under which shares may be purchased off-market at a discount to the market price prevailing at the date each contract is entered into. The maximum which the Company would be permitted to purchase pursuant to this authority would be lower of 3 million shares or a total cost of up to GBP 200 million. The contracts would enable the company to make share purchases at all times, including close periods, such as prior to the announcement of interim and full year results, under contingent forward trades.

The authority represents approximately 2.3% of the issued share capital. This authority will be subject to the 14.99% limit subject to shareholders approval in resolution 17 above. There is a concern regarding the potential repurchase of shares during a closed trading period, as this off market authority may potentially allow for transactions to still occur. Therefore an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 97.9, Abstain: 0.3, Oppose/Withhold: 1.8,*

### **ENEL SPA AGM - 20-05-2021**

#### *3. Authorize Share Repurchase Program and Reissuance of Repurchased Shares*

It is proposed to authorise the Board to purchase Company's shares for 4.92% 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: 97.0, Abstain: 1.3, Oppose/Withhold: 1.6,*

#### *4. Approve Long-Term Incentive Plan*

The Board proposes the approval of a new equity-based incentive plan. Under the plan, participants will be allotted shares that will vest over a three-year period. Performance targets have been quantified at this time, which is above market practice. However, the potential total reward raises excessiveness concerns (together with other incentives) and the vesting period of three years is considered to be short term.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful

- dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.1, Oppose/Withhold: 1.2,

#### 5.1. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. The Company has disclosed quantified targets for performance criteria for its variable remuneration component, however opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 95.6, Abstain: 0.5, Oppose/Withhold: 3.9,

### **SEB SA AGM - 20-05-2021**

#### 0.5. *Elect Bertrand Finet - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he is representative and Chief Executive Officer of Peugeot Invest. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### 0.8. *Approve Remuneration Policy of Executive Corporate Officers*

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*

#### 0.10. *Approve Compensation Report of Corporate Officers*

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*

#### 0.11. *Approve Compensation of Chairman and CEO*

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*

#### *O.12. Approve Compensation of Vice-CEO*

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*

#### *O.13. Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

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*

#### *E.16. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 5.5 Million*

Authority is sought to issue shares without pre-emptive rights. Regardless of the corresponding dilution, it can be used in time of public offer, which is considered to be an anti-takeover device. Opposition is recommended.

*Vote Cast: Oppose*

#### *E.17. Approve Issuance of Equity or Equity-Linked Securities for Private Placements, up to Aggregate Nominal Amount of EUR 5.5 Million*

The Board requests authority to approve an authority for the issue of shares by private placement. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

*Vote Cast: Oppose*

#### *E.20. Authorize up to 220,000 Shares for Use in Restricted Stock Plans*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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*

### *E.21. Authorize Capital Issuances for Use in Employee Stock Purchase Plans*

Authority for a capital increase for up to 1% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

## **ESSENTRA PLC AGM - 20-05-2021**

### *3. Approve Remuneration Policy*

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Vote Cast: *Oppose*

Results: For: 94.1, Abstain: 0.0, Oppose/Withhold: 5.9,

### *4. Re-elect Paul Lester - Chair*

The Chair is also chairing another company within the FTSE 350 index. It is considered that a chair cannot effectively represent two corporate cultures. The possibility of having to commit additional time to the role in times of crisis is ever present. Given this, a Chair should focus his attention onto the only one FTSE 350 Company.

Vote Cast: *Oppose*

Results: For: 89.0, Abstain: 3.0, Oppose/Withhold: 8.0,

### *10. Re-appoint PricewaterhouseCoopers LLP as Auditors*

PwC proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended.

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: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

#### 14. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 76.5, Abstain: 0.0, Oppose/Withhold: 23.5,

#### 15. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

### **LLOYDS BANKING GROUP PLC AGM - 20-05-2021**

#### 15. *Renew the Deferred Bonus Plan*

It is proposed to renew the Deferred Bonus Plan which will be in place for 10 years. Clawback and malus would apply. The Deferred Bonus Plan enables the Group to continue to be able to deliver a proportion of annual bonus awards in the form of deferred awards over shares. However, as stated in the remuneration policy, the total potential variable remuneration may exceed 200% of base salary for the CEO. This is considered excessive and as such, opposition to the renewal Deferred Bonus Plan is recommended.

Vote Cast: *Oppose*

Results: For: 98.6, Abstain: 0.1, Oppose/Withhold: 1.3,

#### 18. *Authorise Issue of Equity in Relation to the Issue of Regulatory Capital Convertible Instruments*

Authority to allot shares and grant rights to subscribe for or to convert any security into ordinary shares in the Company up to an aggregate nominal amount of GBP 1,250,000,000, such authority to be exercised in connection with the issue of Regulatory Capital Convertible Instruments. The amount of this authority is, in aggregate, equivalent to approximately 17.75% of the issued ordinary share capital of the Company. Regulatory Capital Convertible Instruments are debt securities which convert into ordinary shares in certain prescribed circumstances. They are additional tier 1 ('AT1') instruments which convert into ordinary shares of the Company should the Company's common equity tier 1 ratio fall below a contractually defined trigger point. They benefit from a specific regulatory capital treatment under European Union legislation.

The use of Regulatory Capital Convertible Instrument is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. They are relatively new instruments and there are concerns that they may create a situation which whilst converting some debt to equity actually disincentivizes equity investors from putting more new funds in the banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. There are important concerns about the destabilizing effect of such instruments on both the instrument price and the share price. Based on these concerns, an oppose vote is recommended.



Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.1, Oppose/Withhold: 1.8,

*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: 95.9, Abstain: 0.1, Oppose/Withhold: 4.0,

*21. Authorise Issue of Equity without Pre-Emptive Rights in Relation to the Issue of Regulatory Capital Convertible Instruments*

This resolution will give the Directors authority to allot Regulatory Capital Convertible Instruments without the need to first offer them to existing shareholders. If passed, Resolution 21 will authorize the Directors to allot shares and grant rights to subscribe for or to convert any security into shares in the Company on a non-pre-emptive basis up to an aggregate nominal amount of GBP 1,250,000,000, representing approximately 17.63% of the Company's issued share capital. In line with the voting recommendation on resolution 18, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.1, Oppose/Withhold: 2.1,

*22. Authorise Market Purchase of Ordinary Shares*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.3, Oppose/Withhold: 1.3,

**THE HOME DEPOT INC AGM - 20-05-2021**

*1b. Elect Ari Bousbib - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member 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: 96.6, Abstain: 0.2, Oppose/Withhold: 3.2,

*1d. Elect Gregory D. Brenneman - Senior Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. There are also concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year. Based on these multiple concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 91.7, Abstain: 0.2, Oppose/Withhold: 8.2,

*1e. Elect J. Frank Brown - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is 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: 98.3, Abstain: 0.2, Oppose/Withhold: 1.5,

*1f. Elect Albert P. Carey - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is the Chair of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 94.0, Abstain: 0.2, Oppose/Withhold: 5.8,

*1j. Elect Manuel Kadre - 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: 99.1, Abstain: 0.2, Oppose/Withhold: 0.7,

*1l. Elect Craig A. Menear - 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. In addition, 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 and the merging of the CEO and Chair roles, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 92.2, Abstain: 0.6, Oppose/Withhold: 7.2,

*2. Ratify KPMG LLP as Auditors*

KPMG proposed. Non-audit fees represented 10.53% of audit fees during the year under review and 12.89% 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: 95.4, Abstain: 0.2, Oppose/Withhold: 4.4,

### *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: 94.0, Abstain: 0.4, Oppose/Withhold: 5.6,

## **PARADISE ENTERTAINMENT LTD AGM - 21-05-2021**

### *2. Elect Shan Shiyong*

Executive Director. This Director has an attendance record of less than 90% for both Board and Committee meetings which they were eligible to attend during the year. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

### *3. Approve Fees Payable to the Board of Directors*

No proposal is available at the present time. As per market practice the proposed remuneration is likely to be made available only at the meeting. Although this is a common practice for a standard item in this market; support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting; as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

### *4. Appoint the Auditors and Allow the Board to Determine their Remuneration*

Deloitte proposed. Non-audit fees represented 25.25% of audit fees during the year under review and 21.64% on a three-year aggregate basis. This level of non-audit fees raises some 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*

### *5. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

### *6. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

#### 7. *Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

Vote Cast: *Oppose*

### HEADLAM GROUP PLC AGM - 21-05-2021

#### 1. *Accept Financial Statements and Statutory Reports*

The annual report was 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 annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks.

Vote Cast: *Abstain*

Results: For: 99.8, Abstain: 0.2, Oppose/Withhold: 0.0,

#### 4. *Elect Stephen Wilson - Chief Executive*

Chief Executive Officer and director in charge of environmental performance at board level. As he 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. Chief Executive. Acceptable service contract provisions.

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: 97.7, Abstain: 0.0, Oppose/Withhold: 2.3,

#### 8. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 0.00% of audit fees during the year under review and 0.78% 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: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

### 13. *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,

## UNI-PRESIDENT CHINA HLDG LTD AGM - 21-05-2021

### 3.a. *Elect Chen Kuo-Hui*

Non-Executive Director. Executive director of the Company between August 2013 and June 2017. Mr. Chen also acts as a director and/or supervisor of all of the Group's wholly-owned subsidiaries in the PRC. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 3.b. *Elect Chen Sun-Te - 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*

### 3.c. *Elect Chen Johnny - 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 auditor: PwC the company's auditor where he worked until an undisclosed date. The cool-off period can therefore not be calculated. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 4. *Approve Fees Payable to the Board of Directors*

No proposal is available at the present time. As per market practice the proposed remuneration is likely to be made available only at the meeting.

Although this is a common practice for a standard item in this market; support will not be suggested for resolutions concerning remuneration when sufficient information

has not been made available for shareholders in sufficient time prior to the meeting; as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

#### *5. Appoint the Auditors and Allow the Board to Determine their Remuneration*

PwC proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. 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*

#### *6. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *7. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

### **OLD MUTUAL LTD AGM - 21-05-2021**

#### *O.2.2. Re-elect Itumeleng Kgaboesele - 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*

#### *O.4.1. Re-appoint the Auditors: Deloitte & Touche*

Deloitte 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*

#### *O.4.2. Re-appoint KPMG Inc. as joint auditors until next AGM*

KPMG 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*

#### *NB.5.1. Approve Remuneration Policy*

It is proposed to approve the remuneration policy with a binding vote. Variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which may lead to overpayment against underperformance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. Nevertheless, opposition is recommended based on potential excessive variable remuneration.

*Vote Cast: Oppose*

#### *NB.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. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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*

#### *S.2. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

#### *S.3. Approve Financial Assistance*

It is proposed to obtain approval from shareholders to enable the company to provide financial assistance to a related or interrelated company or corporation. The purpose of the resolution is to confirm financial assistance to related directors and officers and/or inter-related companies granted during the year under review

and to authorise the Board to give effect to any financial assistance deemed appropriate to implement during a two-year period, starting from the date of the adoption of this resolution. While the opportunity for shareholders to approve intra group loans is welcomed, there are reservations about the potential use of this authority for loans to individual directors and associates, as allowed for by these sections of the Act.

The proposal holds the likelihood of raising potential conflicts of interest between the company and its Directors. Also, there are concerns over the risk carried by the company's shareholders in the event of a default of a loan or guaranteed credit made to a related company in which it holds less than 50% of the capital. Based on the above, opposition is recommended.

*Vote Cast: Oppose*

#### **KUKA AG AGM - 21-05-2021**

##### *5. Elect Lin Bai - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Midea Group. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

##### *6. 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. 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*

##### *8. Appoint the Auditors*

PwC proposed. Non-audit fees represented 66.67% of audit fees during the year under review and 43.24% 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*

#### **MICHELIN AGM - 21-05-2021**

##### *O.5. Authorize Repurchase of Up to 10 Percent of Issued Share Capital*

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: 97.9, Abstain: 0.0, Oppose/Withhold: 2.0,

*O.6. Approve Remuneration Policy of General Managers*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw-back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 90.6, Abstain: 0.1, Oppose/Withhold: 9.3,

*O.8. Approve Compensation Report of Corporate Officers*

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: 99.6, Abstain: 0.1, Oppose/Withhold: 0.4,

*O.9. Approve Compensation of Florent Menegaux, General Manager*

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: 96.0, Abstain: 1.6, Oppose/Withhold: 2.3,

*O.10. Approve Compensation of Yves Chapo, Manager*

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: 96.1, Abstain: 0.1, Oppose/Withhold: 3.9,

## ESSILORLUXOTTICA SA AGM - 21-05-2021

### 1. *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. As abstention is not a valid voting option, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.8, Abstain: 0.1, Oppose/Withhold: 0.1,

### 2. *Approve Consolidated 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. As abstention is not a valid voting option, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.6, Abstain: 0.1, Oppose/Withhold: 0.3,

### 5. *Approve Compensation Report of Corporate Officers*

It is proposed to approve the remuneration paid or due to Corporate Officers 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. However, as abstention is not a valid voting option for this meeting, opposition is advised.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.0, Oppose/Withhold: 1.3,

### 6. *Approve Compensation of Leonardo Del Vecchio, Chairman and CEO Until Dec. 17, 2020 and Chairman of the Board Since Dec. 17, 2020*

It is proposed to approve the remuneration paid or due to Leonardo Del Vecchio, Chairman and CEO Until Dec. 17, 2020 and Chairman of the Board Since Dec. 17, 2020 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. However, as abstention is not a valid voting option for this meeting, opposition is advised.

Vote Cast: *Oppose*

Results: For: 89.0, Abstain: 0.0, Oppose/Withhold: 11.0,

### 7. *Approve Compensation of Hubert Sagnieres, Vice-Chairman and Vice-CEO Until Dec. 17, 2020 and Vice-Chairman of the Board Since Dec. 17, 2020*

It is proposed to approve the remuneration paid or due to Hubert Sagnieres, Vice-Chairman and Vice-CEO Until Dec. 17, 2020 and Vice-Chairman of the Board Since Dec. 17, 2020 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. However, as abstention is not a valid voting option for this meeting, opposition is advised.

Vote Cast: *Oppose*

Results: For: 86.1, Abstain: 0.2, Oppose/Withhold: 13.7,

#### *8. Approve Remuneration Policy of Corporate Officers, Since Jan. 1, 2020 Until the General Assembly*

It is proposed to approve the remuneration policy of Corporate Officers, Since Jan. 1, 2020 Until the General Meeting. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 92.1, Abstain: 0.0, Oppose/Withhold: 7.9,

#### *9. Approve Remuneration Policy of Corporate Officers, Since the General Assembly*

It is proposed to approve the remuneration policy of Corporate Officers, Since the General Assembly. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 67.8, Abstain: 0.1, Oppose/Withhold: 32.2,

#### *10. 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: 97.3, Abstain: 0.0, Oppose/Withhold: 2.7,

#### *15. Authorize up to 2.5 Percent of Issued Capital for Use in Restricted Stock Plans*

The Board proposes the approval of a new equity-based incentive plan. Under the plan, participants will be allotted shares that will vest over a three-year period. Performance targets have been quantified at this time, which is above market practice. However, the potential total reward raises excessiveness concerns (together with other incentives) and the vesting period of three years is considered to be short term.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 94.3, Abstain: 0.0, Oppose/Withhold: 5.7,

#### *19. Elect Leonardo Del Vecchio - Chair (Non Executive)*

Non-Executive Chair of the Board. Not considered to be independent and is the founder of Luxottica Group and he has been appointed Chair of Luxottica's Board since

it was formed in 1961. He has been granted executive powers as Chairman of Luxottica's Board on January 29, 2016 and then on April 19, 2018. He stepped down as Chair and CEO to non-executive chair in December 2020. 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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 91.4, Abstain: 0.6, Oppose/Withhold: 8.0,

#### *25. Elect Jean-Luc Biamonti - Non-Executive Director*

Independent Non-Executive Director. There are concerns over the director's potential time commitments. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 80.3, Abstain: 0.6, Oppose/Withhold: 19.1,

#### *27. Elect Jose Gonzalo - Non-Executive Director*

Independent Non-Executive Director. There are concerns over the director's potential time commitments. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.9, Abstain: 0.0, Oppose/Withhold: 0.1,

### **ELECTROMAGNETIC GEOSERVICES AGM - 21-05-2021**

#### *4. 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*

#### *7.1. Elect Silje Augustson - Chair (Non Executive)*

Newly-appointed Non-Executive Chair. Not considered independent as the director is considered to be connected with a significant shareholder: Siem Investments Inc. Additionally, there is insufficient bio information. Although there is sufficient independence on the Board, it is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. On this basis, abstention is recommended.

Vote Cast: *Abstain*

#### *7.4. Elect Jørgen Westad - Non-Executive Director*

Newly-appointed Non Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Siem Investments Inc. Additionally, there is insufficient bio information. Although there is sufficient independence on the Board, it is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. On this basis, abstention is recommended.

*Vote Cast: Abstain*

#### *10. Amend All Employee Option Scheme*

The board seek to approve during the period from the annual general meeting in 2021 to the annual general meeting in 2023, that the Board may grant options in an amount which, together with all other employee incentive related outstanding options, never exceed 7.5% of the registered number of shares in the Company in the aggregate under the Employee Option Programme.

There seem to be no performance criteria besides employment and tenure. Plans to increase employee shareholding are considered to be a positive governance practice, as they can contribute to alignment between employees and shareholders. On the other hand, executives are also among the beneficiaries: it is considered that support should not be given to stock or share option plans that do not lay out clearly performance criteria and conditions. Additionally, 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*

#### *11.1. Issue Shares for Cash*

Authority is sought to issue shares without pre-emptive rights to an amount of more than 10% of the share capital, which is deemed excessive. Opposition is recommended.

*Vote Cast: Oppose*

#### *11.2. Approve Issue of Shares for Employee Saving Plan*

The Board of Directors seeks authority to increase the share capital by up to NOK 9,822,726, to cover the Company's obligations under the option programme. The authority corresponds to 7.5% of the Company's existing share capital. It is proposed that Non Executive Directors are beneficiaries of the Program. 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. Opposition is recommended.

*Vote Cast: Oppose*

### **HONEYWELL INTERNATIONAL INC. AGM - 21-05-2021**

#### *1a. Elect Darius Adamczyk - 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: 95.4, Abstain: 0.0, Oppose/Withhold: 4.6,

#### 1e. *Elect D. Scott Davis - Lead Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is a member 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: 94.8, Abstain: 0.0, Oppose/Withhold: 5.2,

#### 1g. *Elect Judd Gregg - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Audit and Compensation committees which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.0, Abstain: 0.0, Oppose/Withhold: 4.0,

#### 1j. *Elect George Paz - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member 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: 95.7, Abstain: 0.0, Oppose/Withhold: 4.3,

#### 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: 93.1, Abstain: 0.7, Oppose/Withhold: 6.2,

#### 3. *Appoint Deloitte & Touche LLP as the Auditors*

Deloitte proposed. Non-audit fees represented 0.00% of audit fees during the year under review and 0.04% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The 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*

Results: For: 99.1, Abstain: 0.2, Oppose/Withhold: 0.6,

## CRODA INTERNATIONAL PLC AGM - 21-05-2021

### *12. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 6.67% of audit fees during the year under review and 5.88% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

*Vote Cast: Oppose*

### *17. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

*Vote Cast: Oppose*

### *18. Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

**FRESENIUS SE AGM - 21-05-2021****5. Ratify PricewaterhouseCoopers GmbH as Auditors for Fiscal Year 2021**

PwC proposed. Non-audit fees represented 30.00% of audit fees during the year under review and 16.95% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor.

Vote Cast: *Abstain*

Results: For: 98.4, Abstain: 0.0, Oppose/Withhold: 1.6,

**6. Approve Remuneration Policy**

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 92.2, Abstain: 0.0, Oppose/Withhold: 7.8,

**8.1. Elect Michael Albrecht - 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: 90.2, Abstain: 0.0, Oppose/Withhold: 9.8,

**8.2. Elect Michael Diekmann - Vice Chair (Non Executive)**

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Allianz SE. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 88.5, Abstain: 0.0, Oppose/Withhold: 11.5,

**8.3. Elect Wolfgang Kirsch - Non-Executive Director**

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material: he is also a director of Fresenius Management SE. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.0, Oppose/Withhold: 1.5,

**8.5. Elect Klaus-Peter Müller - 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. It is noted that the Director will only be elected for one year at the 2021 AGM.

Vote Cast: *Oppose*

Results: For: 82.3, Abstain: 0.0, Oppose/Withhold: 17.7,



### 9.1. *Elect Michael Diekmann as Member of the Joint Committee*

Michael Diekmann has been proposed for the Joint Committee. The director is not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.0, Oppose/Withhold: 1.2,

## **MINAS BUENAVENTURA SA EGM - 21-05-2021**

### 1. *Issuance of negotiable obligations*

The board seeks authority to issue convertible bonds and to exclude subscription rights for a nominal amount corresponding to more than 10% of the share capital. 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*

## **CENTRAL ASIA METALS PLC AGM - 21-05-2021**

### 1. *Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, the Company failed to disclose the proportion of women on the Board, in Executive Management positions and within the whole organisation. An abstain vote is recommended.

Vote Cast: *Abstain*

### 4. *Re-elect Nurlan Zhakupov - Non-Executive Director*

Non-Executive Director. Not considered independent as the director receives remuneration from the Company, in addition to non-executive fee as they have received share awards from the company. He has also served for a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 5. *Elect Michael Prentis - 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*

#### *6. Re-appoint BDO LLP as the Auditors*

BDO LLP proposed. Non-audit fees represented 50.13% of audit fees during the year under review and 256.00% 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*

#### *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*

### **PHOENIX MECANO AG AGM - 21-05-2021**

#### *4.1.1. Elect Benedikt A. Goldkamp - 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*

#### *4.1.2. Elect Florian Ernst - 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*

#### *4.1.3. Elect Martin Furrer - 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*

#### *4.1.4. Elect Ulrich Hocker - Senior Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. An Oppose vote is recommended.

Vote Cast: *Oppose*

#### *4.1.5. Elect Beat Siegrist - 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*

#### *4.2.1. Elect Remuneration Committee Member: Martin Furrer*

Non-Executive Director, candidate to the Remuneration Committee on this resolution. It is considered that the Remuneration Committee should consist exclusively of independent members. Opposition is recommended.

*Vote Cast: Oppose*

#### *4.2.2. Elect Remuneration Committee Member: Ulrich Hocker*

Non-Executive Director, candidate to the Remuneration Committee on this resolution. It is considered that the Remuneration Committee should consist exclusively of independent members. Opposition is recommended.

*Vote Cast: Oppose*

#### *4.2.3. Elect Remuneration Committee Chair: Beat Siegrist*

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*

#### *5.1. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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*

#### *5.3. Approve Remuneration Policy*

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 3.5 million (CHF 3.5 million was proposed last year). This proposal includes fixed and variable remuneration components.

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*

## **CHINA LITERATURE AGM - 24-05-2021**

### *2.b. Elect Cao Huayi*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. He is a Chief Executive Officer of New Classics Media, a subsidiary of the company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *2.d. Authorise the Board to Fix Directors' Remuneration*

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*

### *3. Appoint the Auditors and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 12.92% of audit fees during the year under review and 12.32% 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*

### *4.a. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

### *4.b. 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*

#### *4.c. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

#### *6. Adopt Share Option 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*

### **GEELY AUTOMOBILE HLDGS LTD AGM - 24-05-2021**

#### *3. Elect Gui Sheng Yue*

Executive Director Newly appointed Executive Director. There are concerns that more than one-third of the Board comprises of Executive Directors, and as such it is considered that there may be insufficient independent representation to protect minority shareholder interests. An oppose vote is recommended for newly appointed executive directors, while executives will correspond to more than 33% of the whole Board.

*Vote Cast: Oppose*

#### *4. Elect An Cong Hui - Executive Director*

Newly appointed Executive Director. There are concerns that more than one-third of the Board comprises of Executive Directors, and as such it is considered that there may be insufficient independent representation to protect minority shareholder interests. An oppose vote is recommended for newly appointed executive directors, while executives will correspond to more than 33% of the whole Board.

*Vote Cast: Oppose*

#### *5. Elect Wei Mei*

Newly appointed Executive Director. There are concerns that more than one-third of the Board comprises of Executive Directors, and as such it is considered that there may be insufficient independent representation to protect minority shareholder interests. An oppose vote is recommended for newly appointed executive directors, while executives will correspond to more than 33% of the whole Board.

*Vote Cast: Oppose*

#### *7. Approve Fees Payable to the Board of Directors*

No proposal is available at the present time. As per market practice the proposed remuneration is likely to be made available only at the meeting. Although this is a common practice for a standard item in this market; support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting; as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

#### *8. Appoint the Auditors and Allow the Board to Determine their Remuneration*

Grant Thornton proposed. Non-audit fees represented 117.85% of audit fees during the year under review and 60.43% 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.

*Vote Cast: Oppose*

#### *9. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

### **EMPRESAS ICA SAB DE CV AGM - 24-05-2021**

#### *I. 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*

#### *II. Presentation of Tax Report*

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*

#### *III. Approve the Dividend*

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*

#### IV. *Elect Board: Slate Election*

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*

#### V. *Designation Of Delegates Who Will Carry Out And Formalize The Resolutions That Are Passed By This General Meeting.*

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*

### HILTON FOOD GROUP PLC AGM - 24-05-2021

#### 2. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are disclosed. The CEO's salary is in line with the salary of the entire workforce as the percentage increase in his salary is 2% and average increase of 2% across the workforce. The CEO salary is in the lower quartile of the comparator group.

**Balance:**Changes in CEO pay over the last five years are considered in line with Company financial performance over the same period. The CEO's variable pay for the Year Under Review is 234.6% of salary, which is considered excessive(Annual Bonus: 125% : LTIP: 109.6%). The ratio of CEO pay compared to average employee pay is inappropriate at 38:1

Rating: AC

Vote Cast: *Abstain*

Results: For: 96.6, Abstain: 1.2, Oppose/Withhold: 2.2,

#### 3. *Re-elect Robert Watson - 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, Mr. Watson has served as CEO and Executive Chair of the company. 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.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Overall Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 81.2, Abstain: 7.6, Oppose/Withhold: 11.3,

#### 10. *Re-appoint PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 4.10% of audit fees during the year under review and 2.63% 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: 96.7, Abstain: 0.0, Oppose/Withhold: 3.3,

#### *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: 98.8, Abstain: 0.0, Oppose/Withhold: 1.2,

#### *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: 99.0, Abstain: 0.0, Oppose/Withhold: 1.0,

### **SUNNY OPTICAL TECH GROUP CO AGM - 25-05-2021**

#### *3.c. Elect Shao Yang Dong*

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*



### *3.d. Authorise the Board to Fix Directors' Remuneration*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

### *4. Appoint the Auditors and Allow the Board to Determine their Remuneration*

Deloitte proposed. Non-audit fees represented 18.63% of audit fees during the year under review and 9.09% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The date of appointment of the current audit firm is undisclosed, meaning the length of tenure is not known. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Oppose*

### *6. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

## **HILL & SMITH HOLDINGS PLC AGM - 25-05-2021**

### *1. Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

*Vote Cast: Abstain*

*Results: For: 99.2, Abstain: 0.7, Oppose/Withhold: 0.0,*

### *10. Elect Paul Simmons - Chief Executive*

Chief Executive. The CEO 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: 96.7, Abstain: 0.5, Oppose/Withhold: 2.8,*

### 12. *Appoint the Auditors*

EY 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*

Results: For: 99.4, Abstain: 0.0, Oppose/Withhold: 0.6,

### 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: 98.8, Abstain: 0.1, Oppose/Withhold: 1.1,

## EMPIRIC STUDENT PROPERTY PLC AGM - 25-05-2021

### 3. *Re-appoint BDO LLP as auditors of the Company*

BDO 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. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 98.1, Abstain: 1.8, Oppose/Withhold: 0.1,

### 7. *Re-elect Mark Pain - Chair (Non Executive)*

Non-Executive Chair of the Board. Non-Executive Director, chair of the nomination committee.

At this time, the company has not reported its progresses made on the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards. As chair of the nomination committee, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 70.3, Abstain: 21.2, Oppose/Withhold: 8.5,

#### 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: 89.0, Abstain: 0.0, Oppose/Withhold: 11.0,

#### 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: 97.5, Abstain: 0.6, Oppose/Withhold: 1.9,

### **EDDIE STOBART LOGISTICS PLC AGM - 25-05-2021**

#### 1. *Accept Financial Statements and Statutory Reports*

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*

#### 4. *Re-elect Saki Riffner - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: DBAY. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Audit committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

#### 6. *Reappoint PricewaterhouseCoopers LLP as Auditors*

PwC proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. The 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*

#### *9. Issue Shares for Cash*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, an oppose vote is therefore recommended.

*Vote Cast: Oppose*

#### *10. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

*Vote Cast: Oppose*

#### *11. Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

## THE RESTAURANT GROUP PLC AGM - 25-05-2021

### 2. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed and explained. Next year's salaries and fees for directors have been disclosed. The CEO's salary is in the median of the comparator group.

**Balance:**Changes in CEO remuneration over the last five years are not considered in line with changes in TSR during the same period. No variable pay was made under the review period which is commendable. However, the ratio of CEO pay compared to average employee pay is not appropriate at 51:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 74.2, Abstain: 7.3, Oppose/Withhold: 18.4,

### 10. *Re-appoint Ernst & Young LLP as Auditors*

EY proposed. Non-audit fees represented 109.80% of audit fees during the year under review and 46.41% on a three-year aggregate basis. This level of non-audit fees raises major 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: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,

### 14. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 96.0, Abstain: 0.0, Oppose/Withhold: 4.0,

### 15. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.5, Abstain: 0.1, Oppose/Withhold: 0.3,

## **BANK OF IRELAND AGM - 25-05-2021**

### *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*

### *10. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

### *12. Authorise Issue of Equity without Pre-emptive Rights in Relation to Additional Tier 1 Contingent Equity Conversion Notes*

The Board seeks a general authority in the terms of the resolution to issue Additional Tier 1 Contingent Equity Conversion Notes (AT1 ECNs) and to allot Ordinary Stock issued upon conversion or exchange of AT1 ECNs without first offering them to existing Stockholders. The resolution is proposed so that the Company meets minimum regulatory capital requirements and maintains an efficient capital structure that protects the interests of ordinary shareholders under prudential regulatory requirements. It is noted that AT1 ECNs are a standard part of a bank's capital structure. However, as the limits exceeds guidelines, opposition is recommended.

Vote Cast: *Oppose*

## **BANK OF GEORGIA GROUP PLC AGM - 25-05-2021**

### *1. Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of

non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

*Vote Cast: Abstain*

*Results: For: 98.7, Abstain: 1.3, Oppose/Withhold: 0.0,*

## *2. Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary decreased by -16.7% for the year under review and is in line with the workforce which its salary decrease by -2.8%. CEO salary is below the median of the competitor group.

**Balance:**The balance of CEO realized pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. The current CEO's variable pay, when compared with his salary, is considered acceptable as it represents less than 200% of his total salary .However, total deferred shares (salary and discretionary) are considered excessive at 448% of his cash salary. Furthermore, the ratio of CEO pay compared to average employee pay is excessive at 51:1; it is recommended that the ratio does not exceed 20:1. However, it is noted that employees are paid in Georgian Lari, which the Company states partially accounts for the high ratio.

Rating: AC

*Vote Cast: Abstain*

*Results: For: 94.3, Abstain: 1.5, Oppose/Withhold: 4.2,*

## *3. Re-elect Neil Janin - Chair (Non Executive)*

Chair. Independent upon appointment. As the company do not have a Sustainability Committee , the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 97.3, Abstain: 1.2, Oppose/Withhold: 1.5,*

## *12. Re-appoint Ernst & Young LLP as Auditors*

EY proposed. No Non-audit fees were paid for the year under review and Non-Audit fees represents 48.75% of Audit fees on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

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: 0.0, Oppose/Withhold: 1.6,

### *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: 89.1, Abstain: 0.0, Oppose/Withhold: 10.9,

### *18. Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.1, Oppose/Withhold: 1.7,

## **INTERTEK GROUP PLC AGM - 26-05-2021**

### *2. Approve Remuneration Policy*

**Rating: BDB.**

Pay elsewhere in the Company is used in determining directors pay. Maximum potential benefits are disclosed. There is an adequate deferral period for the Annual Bonus. Malus and clawback apply. Performance measures for the Long Term Incentive Plan (LTIP) are not appropriately linked to non-financial KPIs. The performance period is three years with an additional two-year post-vesting holding period. Malus and clawback apply. The total potential rewards under all incentive schemes are considered to be excessive at 500% of salary. A scheme is available to enable all employees to benefit from business success without subscription. Payments in lieu of notice will reduce if director finds alternative employment. There is no evidence that upside discretion cannot be used while determining severance. On balance, and due to concerns over policy excessiveness, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 67.5, Abstain: 1.8, Oppose/Withhold: 30.7,

### *3. Approve the Remuneration Report*

The CEO's salary did not increase in the year under review. The CEO's salary is top of PIRC's comparator group which raises concerns over excessive salary payments. The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over five years is not commensurate with the change in TSR over the same period. The stated CEO median pay ratio is 75:1 which is considered excessive. Variable remuneration represented 124% of base salary, which is in line with best practice (under 200%). On balance, abstention is recommended.



Vote Cast: *Abstain*

Results: For: 97.1, Abstain: 0.5, Oppose/Withhold: 2.4,

#### 15. *Reappoint PricewaterhouseCoopers LLP as Auditors*

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: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

#### 20. *Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 95.4, Abstain: 0.1, Oppose/Withhold: 4.5,

#### 21. *Authorise Market Purchase of Ordinary Shares*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.1, Oppose/Withhold: 1.0,

## PAYPAL HOLDINGS INC AGM - 26-05-2021

### [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: ACA. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 88.7, Abstain: 0.4, Oppose/Withhold: 11.0,

### [3. Appoint the Auditors](#)

PwC proposed. Non-audit fees represented 4.35% of audit fees during the year under review and 8.07% 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: 96.2, Abstain: 0.3, Oppose/Withhold: 3.5,

#### [1.1. Elect Rodney C. Adkins - 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: 93.8, Abstain: 0.3, Oppose/Withhold: 5.9,

#### [1.4. Elect David W. Dorman - 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: 96.5, Abstain: 0.3, Oppose/Withhold: 3.3,

#### [1.6. Elect Gail J. McGovern - Non-Executive Director](#)

Independent Non-Executive Director. Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 99.0, Abstain: 0.3, Oppose/Withhold: 0.8,

## HANG SENG BANK LTD AGM - 26-05-2021

### [2.c. Elect Irene Lee Yun Lien - Non-Executive Director](#)

Non-Executive Director. Not considered independent as she is a Non-Executive Director of HSBC holding plc, the controlling shareholder. There is insufficient

independent representation on the Board.

Vote Cast: *Oppose*

#### *2.d. Elect Shun, Wong Tung Peter - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he is the Group Managing Director of HSBC Holdings, the controlling shareholder of the Company, as well as holding various other positions within the HSBC Group. Additionally, he has been on the board over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### *3. Appoint the Auditors and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 39.62% of audit fees during the year under review and 29.48% on a three-year aggregate basis. This level of non-audit fees raises some 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*

#### *4. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

#### *5. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

### **EXXON MOBIL CORPORATION AGM - 26-05-2021**

#### *2. Appoint the Auditors*

PwC proposed. Non-audit fees represented 3.34% of audit fees during the year under review and 3.14% 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: 96.3, Abstain: 0.5, Oppose/Withhold: 3.2,

### 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: ADE. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.8, Abstain: 1.7, Oppose/Withhold: 11.5,

### 7. *Shareholder Resolution: Report on Costs and Benefits of Environmental-Related Expenditures*

**Proponent's argument:** Shareholders request that, beginning in 2021, ExxonMobil publish an annual report of the incurred costs and associated significant and actual benefits that have accrued to shareholders, the public health and the environment, including the global climate, from the company's environment-related activities that are voluntary and that exceed U.S. and foreign compliance and regulatory requirements. The report should be prepared at reasonable cost and omit proprietary information." Corporate managements sometimes engage in the practice of 'greenwashing,' which is defined as the expenditure of shareholder assets on ostensibly environment-related activities but possibly undertaken merely for the purpose of improving the company's or management's public image. Such insincere 'green' posturing and associated touting of hypothetical or imaginary benefits to public health and the environment may harm shareholders by wasting corporate assets, and deceiving shareholders and the public by accomplishing nothing real and significant for the public health and environment. [...] ExxonMobil spends \$1 billion per year and has spent \$8 billion since 2000 researching, developing, and deploying allegedly low-carbon technologies (including algae biofuels, biodiesel from agricultural waste and carbonate fuel cells) according to a November 3, 2017 Bloomberg News report. ExxonMobil touts its algae activities in paid television advertisements. But what are the actual benefits to shareholders, the public health and the environment of the money spent? By how much, for example, has any of these activities reduced, or can be expected to reduce, climate change?"

**Company's response:** The Board recommends you vote against this proposal. "Part of the Company's objective is to contribute to society's growing need for energy while mitigating the potential impacts of climate change. ExxonMobil aims to research and develop technologies to provide lower-carbon products that are scalable and affordable. Toward this end, ExxonMobil has been at the forefront of many technologies that have enabled energy to be produced and delivered in a safe, affordable and sustainable manner. The Company aims for industry-leading greenhouse gas performance across its businesses by 2030, and recently announced new emission reduction plans for 2025, which are projected to be consistent with the goals of the Paris Agreement. The Company's investment plans provide growth of high-performance, lower-carbon products to meet growing demand and to help customers reduce their emissions. As the world demands more energy and fewer emissions, ExxonMobil is well positioned to contribute through development of scalable, high-impact solutions to help reduce emissions in power generation, industry and transportation. The Company is working to develop breakthrough solutions in areas such as carbon capture, biofuels, hydrogen and energy-efficient process technology. [...] The Company recently announced plans to further reduce greenhouse gas emissions in its operations by 2025, compared to 2016 levels, while aiming for industry-leading greenhouse gas performance across its businesses by 2030. The 2025 plans, which are consistent with the goals of the Paris Agreement, include a 15- to 20-percent reduction in greenhouse gas intensity of Upstream operations. The reductions will be supported by a 40- to 50-percent reduction in methane intensity and a 35- to 45-percent reduction in flaring intensity. The emission reduction plans cover Scope 1 and Scope 2 emissions from assets operated by the Company. The Company also plans to eliminate all routine flaring by 2030 in its Upstream operations, in line with the World Bank's initiative."

**PIRC analysis:** Increased disclosure would normally be considered to be in shareholders' interests. However, the proposed report is considered to be based on flawed methodology. The proponent seeks a report exclusively focused on short-term costs and benefits for the company, excluding the long-term benefits (also economic) of a lower carbon emission strategy. It is considered that shareholders should instead be focused on long-term value creation. Ignoring the potential long-term costs of ignoring climate change is not considered to be in shareholders best interests. Additionally, the methodology used by the proponent appears to be flawed, as the link made by the proponent to green washing is seemingly an artificial one. The Company's policy of reducing the number of coal power plants it operates is a material and positive change from an environmental perspective, not a green-washing activity. On balance, a vote in opposition of the resolution is recommended.

Vote Cast: *Oppose*

Results: For: 5.0, Abstain: 3.4, Oppose/Withhold: 91.6,

## CHINESE ESTATES HOLDINGS LTD AGM - 26-05-2021

### *3.I. Elect Kwok-wai Chan - 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*

### *3.II. Elect Lai-ping Phillis Loh - 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*

### *3.III. Elect Tsz-chun Ma - 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*

### *3.IV. Approve Fees Payable to the Board of Directors*

No proposal is available at the present time. As per market practice the proposed remuneration is likely to be made available only at the meeting. Although this is a common practice for a standard item in this market; support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting; as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

## *4. Appoint the Auditors and Allow the Board to Determine their Remuneration*

HLB Hodgson Impney Cheng Limited proposed. Non-audit fees represented 25.13% of audit fees during the year under review and 15.17% on a three-year aggregate basis. This level of non-audit fees raises some 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*

## *5. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

**6. Approve General Share Issue Mandate**

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

**7. Extend the General Share Issue Mandate to Repurchased Shares**

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

Vote Cast: *Oppose*

**DASSAULT SYSTEMES SE AGM - 26-05-2021**

**O.5. Approve Remuneration Policy of Corporate Officers**

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. The Company has disclosed past achievements and quantified future targets. There do not appear to be claw back clauses in place over the entirety of the variable remuneration, which is against best practice. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 79.0, Abstain: 0.1, Oppose/Withhold: 20.9,

**O.7. Approve Compensation of Bernard Charles, Vice Chairman of the Board and CEO**

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. The Company has disclosed past achievements and quantified future targets. There do not appear to be claw back clauses in place over the entirety of the variable remuneration, which is against best practice. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 79.1, Abstain: 0.1, Oppose/Withhold: 20.8,

**O.8. Approve Compensation Report of Corporate Officers**

It is proposed to approve the implementation of the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. The Company has disclosed past achievements and quantified future targets. There do not appear to be claw back clauses in place over the entirety of the variable remuneration, which is against best practice. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 97.4, Abstain: 0.1, Oppose/Withhold: 2.5,

**O.12. Authorise Share Repurchase**

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent

and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.6, Abstain: 0.0, Oppose/Withhold: 0.3,

*E.15. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 12 Million*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.0, Oppose/Withhold: 1.9,

*E.16. Approve Issuance of Equity or Equity-Linked Securities for Private Placements up to Aggregate Nominal Amount of EUR 12 Million*

The Board requests authority to approve an authority for the issue of shares by private placement. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 97.4, Abstain: 0.0, Oppose/Withhold: 2.6,

*E.17. Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Under Items 14-16*

In addition to the share issuance authorities sought above, the Board requests shareholder authority for a capital increase of additional 15%, in case of exceptional demand.

A green shoe authorisation enables an authorization of additional shares in the event of exceptional public demand. In this case, the authorization would increase allow the placement of up to 15% additional new shares within a thirty day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.0, Oppose/Withhold: 2.4,

**LEROY SEAFOOD GROUP ASA AGM - 26-05-2021**

*4. Approve Remuneration Policy*

Standard resolution. 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*

#### *6.B. Approve the Remuneration of the Nomination Committee*

The Board is seeking approval for remuneration of the Shareholders' Nomination Committee. 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*

#### *6.C. Approve the Remuneration of the Audit Committee*

The Board is seeking approval for remuneration of the Audit Committee. 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*

#### *8.A. Elect Britt Kathrine Drivenes - 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*

#### *8.B. Elect Didrik Munch*

Non-Executive Director and member of the Audit Committee. Not considered independent owing to a tenure of over nine years. There are concerns over the director's potential aggregate time commitments. It is considered that the Audit Committee should consist of solely independent directors. Due to the insufficient independent representation on the Audit Committee, and regardless to the independent representation of the whole Board, opposition is recommended.

*Vote Cast: Oppose*

#### *8.C. Elect Karoline Møgster - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder, Austevoll Seafood ASA. 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 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*

#### *10. Approve Issue of Shares for Private Placement*

The Board requests authority to approve an authority for the issue of shares by private placement. 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*

## **M&G PLC AGM - 26-05-2021**

### *2. Approve the Remuneration Report*

The CEO's salary is at the top of PIRC's comparator group which raises concerns over excessive salary payments. Future performance conditions and past targets for both the annual bonus and long-term incentive are provided. The level of TSR performance against CEO salary payments cannot be assessed as the company listed in October 2019. Total realised awards in the year under review are considered excessive at 250% of base salary. The level of CEO pay compared to that of the average employee is considered excessive at 30:1, PIRC considers the acceptable limit to be 20:1. Overall, abstention is recommended.

Rating: AD

Vote Cast: *Abstain*

Results: For: 92.9, Abstain: 0.8, Oppose/Withhold: 6.3,

### *10. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 6.98% of audit fees during the year under review and 7.98% 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: 96.4, Abstain: 0.3, Oppose/Withhold: 3.3,

### *14. Authorise Issue of Equity in Connection with the Issue of Mandatory Convertible Securities*

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 connection with the issue of Mandatory Convertible Securities.

The use of Contingent Convertible Securities or CoCos is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. CoCos are relatively new instruments and there are concerns that CoCos may create a situation which whilst converting some debt to equity actually disincentives equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Recent events at Deutsche Bank has led to others voicing their concerns about the destabilising effect of CoCos on both the CoCo price and the share price. Based on these concerns, an oppose vote is recommended

Vote Cast: *Oppose*

Results: For: 93.9, Abstain: 0.0, Oppose/Withhold: 6.1,

#### *16. Authorise Issue of Equity without Pre-emptive Rights in Connection with the Issue of Mandatory Convertible Securities*

Authority is limited to 5% of the Company's issued share capital and will expire at the next AGM. Within acceptable limits. This is in connection with the issue of Mandatory Convertible Securities.

The use of Contingent Convertible Securities or CoCos is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. CoCos are relatively new instruments and there are concerns that CoCos may create a situation which whilst converting some debt to equity actually disincentives equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Recent events at Deutsche Bank has led to others voicing their concerns about the destabilising effect of CoCos on both the CoCo price and the share price. Based on these concerns, an oppose vote is recommended

Vote Cast: *Oppose*

Results: For: 93.5, Abstain: 0.0, Oppose/Withhold: 6.5,

#### *17. Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.3, Oppose/Withhold: 0.9,

### **ENAGAS SA AGM - 26-05-2021**

#### *4. Discharge the 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*

#### *8. Authorisation to the Board to issue debentures or non-convertible bonds*

The Board requests shareholder authorization to issue debt, including convertible debt without pre-emptive rights, up to 20% of the share capital, over a period of five years. This is in accordance with Article 507 of the Capital Companies Act, but it exceeds guidelines for issuance without pre-emptive rights.

*Vote Cast: Oppose*

#### *9. Issue Convertible Bonds*

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*

#### *10. 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*

#### *11. 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*

### **CHINA EVERBRIGHT LTD AGM - 27-05-2021**

#### *3.c. Elect Lin Zhijun - 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*

#### *3.d. Authorise the Board to Fix Directors' Remuneration*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

#### *4. Appoint the Auditors and Allow the Board to Determine their Remuneration*

EY proposed. Non-audit fees represented 25.27% of audit fees during the year under review and 25.32% on a three-year aggregate basis. This level of non-audit fees raises some 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*

#### *5. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *6. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

#### *7. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

### **INCHCAPE PLC AGM - 27-05-2021**

#### *14. Approve Performance Share Plan*

It is proposed to approve the Performance share plan of the company, Eligible to participate in the plan are any of the employees of the Company or its subsidiaries, including the Executive Directors. Under the New Employee Share Plans, awards will take the form of either: i) a conditional right to receive ordinary shares in the Company ("Shares") which will be automatically transferred to the participant following vesting, ii) a nil or nominal-cost option, exercisable by the participant during a permitted exercise period of 12 months following vesting in the case of the PSP or six months following vesting in the case of the CIP (an "option"), or iii) such other form of award (including restricted shares) as the Remuneration Committee may from time to time determine. The Remuneration Committee will determine the performance conditions which will apply to awards and which will be measured over a period (the "performance period") of not less than three years, awards will be subject to a retention period of two years. Malus and clawback provisions apply for the proposed plan. The Company states that exercise of shares will be based on targets, which at this time remain undisclosed. The targets for the Executives will be in line with the remuneration policy, however, there are no non-financial performance measures attached to the LTIP and so the focus of remuneration policy is not the operational performance of the business as a whole or the individual roles of each of the executives in achieving that performance. Instead, the focus of the remuneration policy is financial KPIs, which mainly include factors beyond an individual director's

control. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. In addition, directors may be entitled to a dividend income on share awards which are paid out at the point of vesting. 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. 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: 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. On balance, opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 97.1, Abstain: 0.0, Oppose/Withhold: 2.9,*

#### *15. Approve Co-Investment Plan*

It is proposed to approve the Co-Investment Plan (CIP). The CIP is a discretionary share plan under which the Remuneration Committee may specify that a portion of any annual bonus earned must be used to purchase Shares or under which participants may elect to use their own funds to purchase Shares and, in return for agreeing (or being required) not to dispose of those Shares for three years, are granted awards over additional Shares. The awards are subject to one or more performance targets measured over a three-year period. Eligible Employees will be invited (or required) to participate by purchasing Shares ("Investment Shares"). The amount which the Eligible Employee chooses (or is required) to apply in purchasing Investment Shares may not be less than, nor more than, respectively 10 per cent and 100% of the Eligible Employee's annual salary, after deduction of income tax (subject to a maximum of 50%t in the case of Executive Directors, in line with the Remuneration Policy). For Executive Directors, unless or until otherwise approved by shareholders, any requirement to participate, the investment limits and the matching award levels will always be in accordance with the Company's Remuneration Policy. Awards will normally vest on the third anniversary of the grant date, to the extent that the relevant performance conditions have been met, provided that, unless the Remuneration Committee determines otherwise, the Investment Shares have not been withdrawn from the CIP.

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 use of a matching plan such as the CIP is not acceptable and contrary to best practice. Such plan adds unnecessary complexity to the remuneration structure and leads to excessive remuneration. It rewards executive twice for the same performance as it combines performance condition of the Annual bonus and the PSP. On balance, opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 94.6, Abstain: 0.0, Oppose/Withhold: 5.4,*

#### *18. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

*Vote Cast: Oppose*

*Results: For: 92.3, Abstain: 0.0, Oppose/Withhold: 7.7,*

#### *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: 97.4, Abstain: 0.1, Oppose/Withhold: 2.4,

## **INTERNATIONAL PUBLIC PARTNERSHIPS LTD AGM - 27-05-2021**

### *11. Appoint the Auditors*

PwC proposed as new auditor in replacement of EY. 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*

### *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*

## **SHUI ON LAND LTD AGM - 27-05-2021**

### *2.E. Authorise the Board to Fix Directors' Remuneration*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

### *3. Appoint the Auditors and Allow the Board to Determine their Remuneration*

EY proposed. Non-audit fees represented 47.69% of audit fees during the year under review and 91.15% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. Opposition is recommended.

*Vote Cast: Oppose*

### *4.B. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

### *4.C. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

## **SANSHENG HOLDINGS (GROUP) CO. LTD AGM - 27-05-2021**

### *3.A.I. Elect Lin Rongbin*

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*

### *3.B. Authorise the Board to Fix Directors' Remuneration*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

*4. Appoint the Auditors and Allow the Board to Determine their Remuneration*

KPMG proposed. Non-audit fees represented 97.06% of audit fees during the year under review and 92.74% 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*

*5.A. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

*5.B. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

*5.C. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

**BODYCOTE PLC AGM - 27-05-2021**

*11. Re-appoint PricewaterhouseCoopers LLP as Auditors*

PwC proposed. No non-audit fees were paid for the year under review and non-audit fees represents 2.63% 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: 99.4, Abstain: 0.0, Oppose/Withhold: 0.6,

### 13. *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. The salary for the CEO is in the median of the competitor group.

**Balance:**The balance of CEO realized pay with financial performance is not considered acceptable as the change in CEO total pay over the last five years is not aligned to the change in TSR over the same period. There was no variable pay for the year under review which is commendable. It is noted that, given the impact of the COVID-19 pandemic on financial performance and the experience of employees and shareholders, the Remuneration Committee, in consultation with the Executive Directors, cancelled the bonus for 2020. The level of CEO pay compared to that of the average employee is not considered excessive at 16:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 98.6, Abstain: 0.6, Oppose/Withhold: 0.8,

### 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: 96.0, Abstain: 0.0, Oppose/Withhold: 4.0,

### 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: 98.9, Abstain: 0.0, Oppose/Withhold: 1.0,

## CHINA BLUECHEMICAL LTD AGM - 27-05-2021

### *6. Appoint the Auditors and Allow the Audit Committee to Determine their Remuneration*

BDO Limited proposed. Non-audit fees represented 3.37% of audit fees during the year under review and 13.47% 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 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*

### *7. Elect Wang Weimin*

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*

### *9. Elect Guo Xinjun - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he is an employee of CNOOC China Ltd, the controlling shareholder and ultimate holding company of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *10. Elect Liu Zhenyu - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: China National Offshore Oil Corporation (CNOOC), as a Deputy General Manager of the financial assets department since 2016. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *16. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

### *17. 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*

## VECTURA GROUP LIMITED AGM - 27-05-2021

### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 98.6, Abstain: 1.4, Oppose/Withhold: 0.0,

### 6. *Elect Bruno Angelici - Chair*

Non-Executive Chair of the Board. As there are 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: 98.3, Abstain: 1.2, Oppose/Withhold: 0.5,

### 11. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 14.29% of audit fees during the year under review and 15.00% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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: 98.7, Abstain: 0.0, Oppose/Withhold: 1.3,

### 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: 97.2, Abstain: 0.0, Oppose/Withhold: 2.8,

#### 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: 98.5, Abstain: 0.1, Oppose/Withhold: 1.4,

### **WYNN MACAU LTD AGM - 27-05-2021**

#### 2.b. *Elect Craig S. Billings - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. Mr. Billings has been the Chief Financial Officer and Treasurer of Wynn Resorts, Limited since March 2017. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### 2.c. *Elect Jeffrey Kin-Fung Lam - 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*

#### 3. *Approve Fees Payable to the Board of Directors*

No proposal is available at the present time. As per market practice, the proposed remuneration is likely to be made available only at the meeting. Although this is a common practice for a standard item in this market, support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting, as such practice prevents shareholders from reaching an informed decision. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

#### 4. *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.

Vote Cast: *Oppose*

#### *5. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

#### *6. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *7. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

#### *8. Approve Issue of Shares for Private Placement*

The Board requests authority to approve an authority for the issue of shares by private placement. 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*

### **CHINA BLUECHEMICAL LTD CLASS - 27-05-2021**

#### *1. 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*

### **OSB GROUP PLC AGM - 27-05-2021**

#### *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 . However, the CEO salary is on the upper quartile of the competitor group which raises concerns over potential excessiveness.

**Balance:** Changes in the CEO's total remuneration over the past five years are not considered to be in line with changes in TSR during the same period. Total variable pay for the year under review is considered appropriate as it amounts to 77.95% of salary for the CEO. The ratio of CEO pay compared to average employee pay is not considered acceptable at 24:1, it is recommended that the ratio does not exceed 20:1.

Rating: AD

Vote Cast: *Oppose*

Results: For: 99.3, Abstain: 0.0, Oppose/Withhold: 0.7,

### 3. *Approve Remuneration Policy*

**Policy Rating: ACB** No changes proposed, the remuneration policy was approved in the 2020 Annual General Meeting, however as the company adopted a new structure, under the relevant UK Directors' remuneration regulations, this constitutes a new company and therefore the approval of the Remuneration Policy must be refreshed by a shareholder vote at the 2021 Annual General Meeting. Total variable pay could reach 220% of the salary which is slightly higher than the recommended limit of 200%. Annual Bonus performance measures are, financials (50%), Customer (15%), Quality (15%), Staff (10%) and Personal (10%). 50% of the Bonus will be deferred to shares for a three-year period, which is in line with best practice. Performance Shares Plan (PSP) performance measures will be based on a mixture of internal financial performance targets, risk based measures and relative TSR. At least 50% of the PSP award will ordinarily be based on financial and relative TSR metrics. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. Vesting period is seven years, the first tranche will vest in year three and each tranche thereafter over a period of seven years. Each tranche vested will be subject to a one-year holding period. Malus and claw back provisions apply for all the variable pay. On termination, other than for gross misconduct, the Executive Directors will be contractually entitled to salary, pension and contractual benefits. There is no automatic/contractual right to bonus payments and the default position is that the individual will not receive a payment. Awards normally lapse on termination of employment. However, in certain good leaver situations, awards may vest on the normal vesting date and to the extent that the performance conditions are met.

Vote Cast: *Abstain*

Results: For: 99.7, Abstain: 0.3, Oppose/Withhold: 0.0,

### 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: 97.0, Abstain: 0.0, Oppose/Withhold: 3.0,

### 14. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with the regulatory capital of convertible instruments. Such proposal is not supported as it is considered that the 5% limit sought under the general authority on resolution 12 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: 99.0, Abstain: 0.0, Oppose/Withhold: 1.0,

### 15. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.1, Oppose/Withhold: 0.2,

### **JASA MARGA(INDONESIA HWY CO) AGM - 27-05-2021**

#### *3. Approve the Dividend*

The dividend proposal was not made available in sufficient time prior to the meeting. On this basis, abstention is recommended.

Vote Cast: *Abstain*

#### *4. 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 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 and Tantiem of Directors and Commissioners*

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*

#### *7. Approve Ratification of State-Owned Enterprises Regulations*

Disclosure is not adequate in order to allow an informed vote.

Vote Cast: *Abstain*

#### *8. Amend Articles of Association*

The Board proposes to amend undefined Articles of Association. 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*

#### *9. Approve Changes in the Boards of the Company*

The company has not disclosed any information regarding this proposal. Abstention is recommended.

*Vote Cast: Abstain*

### **PRADA SPA AGM - 27-05-2021**

#### *5. Elect Miuccia Prada Bianchi*

Chief Executive. This Director has an attendance record of less than 90% for Board meetings which they were eligible to attend during the year. An oppose vote is therefore recommended.

*Vote Cast: Oppose*

#### *16. Elect Mr. Antonino Parisi as Effective Member of the Board of Statutory Auditors of the Company*

The candidate was first appointed to the Board of Statutory Auditors of the Company in May 2009 and was most recently re-elected on April 27, 2018. Therefore, he is not considered independent owing to a tenure of over nine years. In terms of good governance it is considered that all of the statutory auditors should be independent. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *10. Elect Stefano Simontacchi - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. The Law BonelliErede, of which he is partner, has advised on Prada's Hong Kong stock market listing. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *8. Elect Patrizio Bertelli - Chief Executive*

Non-Executive Director. Not considered independent as the director has close family ties with the Company. Mr. Lorenzo Bertelli is the son of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli, the Chief Executive Officers and substantial shareholders of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *14. Elect Paolo Zannoni as Chairman of the Board of Directors*

Independent Non-Executive Chair. 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*



*17. Elect Mr. Roberto Spada as Effective Member of the Board of Statutory Auditors of the Company*

Mr. Spada was first appointed to the Board of Statutory Auditors of the Company on May 22, 2012 and was most recently re-elected on April 27, 2018. Therefore, he is not considered independent owing to a tenure of over nine years. In terms of good governance it is considered that all of the statutory auditors should be independent. An oppose vote is recommended.

*Vote Cast: Oppose*

*18. Elect Mr. David Terracina as Effective Member of the Board of Statutory Auditors of the Company*

Mr. Terracina was first appointed to the Board of Statutory Auditors of the Company on May 22, 2012 and was most recently re-elected on April 27, 2018. Therefore, he is not considered independent owing to a tenure of over nine years. In terms of good governance it is considered that all of the statutory auditors should be independent. An oppose vote is recommended.

*Vote Cast: Oppose*

**VECTURA GROUP LIMITED EGM - 27-05-2021**

*3. Authorise Share Repurchase Post Consolidation*

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*

**KALBE FARMA TBK PT AGM - 27-05-2021**

*2. Approve the Dividend*

The dividend proposal was not made available in sufficient time prior to the meeting. On this basis, abstention is recommended.

*Vote Cast: Abstain*

*3. 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*

*4. Approve Fees Payable to the Board of Directors*

No proposal is available at the present time. As per market practice, the proposed remuneration is likely to be made available only at the meeting.

Although this is a common practice for a standard item in this market, support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting, as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended.

*Vote Cast: Abstain*

#### *5. Appoint the Auditors*

EY proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. 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*

### **RESTORE PLC AGM - 27-05-2021**

#### *1. Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, the Company failed to disclose the proportion of women in Executive Management positions and within the whole organisation. An abstain vote is recommended.

*Vote Cast: Abstain*

#### *2. Re-appoint PricewaterhouseCoopers as the Auditors*

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*

*12. 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*

*13. 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*

**FUFENG GROUP LTD AGM - 28-05-2021**

*3.IV. Authorise the Board to Fix Directors' Remuneration*

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: *Oppose*

*4. Appoint the Auditors (PricewaterhouseCoopers) and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 24.96% of audit fees during the year under review and 33.60% 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*

*5.A. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

#### *5.B. 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*

#### *5.C. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

### **ANHUI CONCH CEMENT CO LTD AGM - 28-05-2021**

#### *4. Appoint the Auditors and Allow the Board to Determine their Remuneration*

KPMG proposed. Non-audit fees represented 13.40% 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*

#### *6. To approve the Provision of Guarantee by the Company in respect of the Bank borrowings or Trade Finance Credit of 9 subsidiaries and invested companies*

Approval is sought for the the provision of the Guarantee by the Company in respect of the bank borrowings of nine subsidiaries and joint venture entities for up to three years for some of the entities. While the opportunity for shareholders to approve intra group loans is welcomed, there are reservations about the potential use of this authority for loans to companies that are not controlled by the Group (i.e. less than 50% owned by the Company) as, in the event of a default on the loan, the Company's shareholders underwrite the risks of the loan despite some benefits of the loan accruing to a third party. An oppose vote is therefore recommended.

*Vote Cast: Oppose*

#### *8. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

**TOTALENERGIES SE AGM - 28-05-2021****O.4. Authorize Repurchase of Up to 10 Percent of Issued Share Capital**

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: 97.1, Abstain: 0.1, Oppose/Withhold: 2.8,

**O.6. Elect Patrick Pouyanne - 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: 74.5, Abstain: 3.8, Oppose/Withhold: 21.8,

**O.12. Approve Compensation of Patrick Pouyanne, Chairman and CEO**

It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended based on excessive remuneration.

Vote Cast: *Oppose*

Results: For: 96.5, Abstain: 0.2, Oppose/Withhold: 3.3,

**O.13. Approve Remuneration Policy of Chairman and CEO**

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. The Company has disclosed past achievements and quantified future targets. However, there are no claw-back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 59.4, Abstain: 1.5, Oppose/Withhold: 39.1,

**O.14. Approve the Company's Sustainable Development and Energy Transition**

The strategy does not seemingly address the challenges the company faces, with competition from renewable energy potentially putting fossil fuel businesses out of business on grounds of costs. The company does not seem to have a clear plan for the competitive aspects of the energy transition and there does not seem to be a sharp target or commitment. Moreover, reviewing the strategy according to 'new scenarios concerning decarbonization' or other changes in society, does not seemingly puts the company in the position of taking the lead to decarbonise; rather, it appears too accommodating and inconsistent with the policy objectives and some of the targets. Under such assumption, there is no guarantee that the targets would be reviewed to a lower ambition or that they will not be met at all. Based on these concerns, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 82.8, Abstain: 9.9, Oppose/Withhold: 7.3,

## HSBC HOLDINGS PLC AGM - 28-05-2021

### [1. Accept Financial Statements and Statutory Reports](#)

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organisation. However, on 21 September 2020, HSBC was named as one of the banks that allegedly allowed international criminals to launder money or avoid sanction, according to documents leaked to the International Consortium of Investigative Journalists (ICIJ). US Financial Crimes Investigation Network (FinCEN) files, obtained from the US Treasury counter money laundering division, included over 2,100 suspicious activity reports (SARs) covering more than GBP 1.5 trillion between 1999 and 2017. HSBC has allegedly allowed fraudsters to move millions of dollars of stolen money around the world, even after it learned from US investigators the scheme was a scam.

All of the directors currently on the board have joined on or after the end of the alleged scheme, and as such they cannot be considered accountable in regards to their re-election. Opposition is therefore recommended against the annual report.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.5, Oppose/Withhold: 1.5,

### [4. Reappoint PricewaterhouseCoopers LLP as Auditors](#)

PwC proposed. Non-audit fees were not paid for the year under review and represented 3.14% 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 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: 98.7, Abstain: 0.1, Oppose/Withhold: 1.2,

### [6. Authorise EU Political Donations and Expenditure](#)

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 200,000. The Company did not make any political

donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the aggregate total amount exceeds recommended limits. An abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 96.4, Abstain: 1.0, Oppose/Withhold: 2.7,*

#### *9. Further disapplication of pre-emptions rights for acquisitions*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

*Vote Cast: Oppose*

*Results: For: 95.7, Abstain: 0.1, Oppose/Withhold: 4.2,*

#### *10. Addition of any repurchased shares to general authority to allot shares*

Resolution 10 seeks to extend the Directors' authority to allot shares and grant rights to subscribe for or convert any security into shares pursuant to paragraph (a) of Resolution 7 to include the shares repurchased by the Company under the authority sought by Resolution 11. Based on opposition to Resolution 11, opposition is recommended here.

*Vote Cast: Oppose*

*Results: For: 97.9, Abstain: 0.1, Oppose/Withhold: 2.0,*

#### *11. Authorise Market Purchase of Ordinary Shares*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 98.4, Abstain: 0.5, Oppose/Withhold: 1.1,*

#### *12. Authorise Issue of Equity in Relation to Contingent Convertible Securities*

Authority to allot shares and grant rights to subscribe for or to convert any security into ordinary shares in the Company up to an aggregate nominal amount of USD 2,042,279,925, representing approximately 20% of the Company's issued ordinary share capital, such authority to be exercised in connection with the issue of CCSs. CCSs are debt securities which convert into ordinary shares in certain prescribed circumstances. They benefit from a specific regulatory capital treatment under European Union legislation. This authority is in addition to resolution 13 and will expire at next AGM. The Company explains that this resolution is a recurring resolution at its AGM and will be used to comply or maintain compliance with regulatory capital requirements or targets applicable to the Group. The terms of HSBC's existing CCSs have received regulatory approval from the Prudential Regulation Authority (PRA). The dilution involved for those shareholders not able to subscribe may significantly decrease their interest in the Bank. Dis-applying pre-emption rights may result in excessive dilution.

The use of CCSs are not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. CCSs are relatively new instruments and there are concerns that they may create a situation which whilst converting some debt to equity actually disincentivises equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.4, Abstain: 0.1, Oppose/Withhold: 2.5,

### 13. *Authorise Issue of Equity without Pre-emptive Rights in Relation to Contingent Convertible Securities*

This resolution will give the Directors authority to allot CCSs, or shares issued upon conversion or exchange of CCSs, without the need to first offer them to existing shareholders. This will allow the Directors greater flexibility to manage the Company's capital in the most efficient and economical way for the benefit of shareholders. If passed, Resolution 13 will authorise the Directors to allot shares and grant rights to subscribe for or to convert any security into shares in the Company on a non-pre-emptive basis up to an aggregate nominal amount of USD 2,042,279,925 representing approximately 20% of the Company's issued share capital. In line with the voting recommendation on resolution 12, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.6, Abstain: 0.1, Oppose/Withhold: 3.3,

## **PT TELEKOMUNIKASI INDONESIA (PERSERO) TBK AGM - 28-05-2021**

### 3. *Approve the Dividend*

The dividend proposal was not made available in sufficient time prior to the meeting. On this basis, abstention is recommended.

Vote Cast: *Abstain*

### 4. *Approve Fees Payable to the Board of Directors*

No proposal is available at the present time. As per market practice, the proposed remuneration is likely to be made available only at the meeting. Although this is a common practice for a standard item in this market, support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting, as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended.

Vote Cast: *Abstain*

### 5. *Appoint the Auditors*

EY proposed. Non-audit fees represented 3.03% of audit fees during the year under review and 2.34% 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*

### 6. *Amend Articles*

The Board proposes to amend Articles related to procedures for Electronic General Meeting of Shareholders. 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*



*7. Ratification on Regulation of Minister of State Owned Enterprise Number: PER-11/MBU/11/2020 concerning Management Contract and Annual Management Contract of State Owned Enterprise's Directors.*

The Board proposes to enforce the relevant regulations applicable to State-Owned Enterprises through the Company's Meeting. The Company has not disclosed details regarding the abovementioned regulations. Therefore, opposition is recommended based on lack of disclosure.

*Vote Cast: Oppose*

*8. Elect Board: Slate Election*

Election of directors is bundled in one resolution. Although slate elections are not considered to be best practice, they are common in this market. Regardless of the independent representation on the board, full biographical disclosure for the candidates (whose names are disclosed) has not been provided at this time, preventing from providing an informed assessment. This is considered a serious lack of disclosure and an oppose vote is recommended.

*Vote Cast: Oppose*

#### **LVMH (MOET HENNESSY - LOUIS VUITTON) SE EGM - 28-05-2021**

*1. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% and 18 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

#### **RECKITT BENCKISER GROUP PLC AGM - 28-05-2021**

*2. Approve the Remuneration Report*

**Disclosure:** All elements of the directors remuneration in the single figure table are adequately disclosed. Dividend equivalents are not separately categorised. Future performance conditions and targets for long term incentives are currently not disclosed.

**Balance:** The directors salary is in the median of its peer group. The change in CEO total pay over the last five years is considered acceptable as it is commensurate with the change in TSR over the same period. Variable remuneration paid to all directors in the year under review is considered excessive as it exceeds 200% of salary for the CEO. The CEO to average employee pay ratio is considered unacceptable at 117:1.

Rating: AC

The remuneration report received significant opposition at the previous meeting, and it is considered that the company has not adequately addressed this. For this reason, opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 81.2, Abstain: 1.4, Oppose/Withhold: 17.4,*

#### 16. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 1.68% of audit fees during the year under review and 5.00% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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: 0.1, Oppose/Withhold: 0.7,

#### 21. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 95.6, Abstain: 0.4, Oppose/Withhold: 4.0,

#### 22. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.1, Oppose/Withhold: 1.4,

### ATHEX GROUP AGM - 31-05-2021

#### 4. *Discharge the Board and the Auditors*

Standard proposal. No serious governance concerns have been identified that would lead to a recommendation to oppose the discharge of the board. However, in this

market, auditors discharge may prevent lawsuits or claims for activities carried out during the year relating to facts that have not been disclosed to shareholders. As a consequence, releasing auditors from liability will weaken the governance framework and introduce great risks for investors. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *8. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report. 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*

#### *12. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares up to 10% of the share capital 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*

#### *13. Authorize Board to Participate in Companies with Similar Business Interests*

With this resolution, the Board is seeking authority that Members of the Board of Directors and to other Executives of the Bank may participate in the Boards of Directors and/or in the Management of companies of the Group, having similar purposes to those of the Company. This authority is not sought for defined appointments. As a consequence, if approved, this authority may lead to potential time commitment concerns. In addition, an excessive number positions within the same company may develop excessive familiarity and trust, which would eventually hinder an effective independent oversight by directors (while there is already insufficient independent representation on the Board). On these grounds, opposition is recommended.

*Vote Cast: Oppose*

### **DISTRIBUCION INTERNACIONAL de ALIMENTACION AGM - 31-05-2021**

#### *9. 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. There are excessiveness concerns 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. 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*

## 12. *Approve Exchange of Debt for Equity and Capital Raising*

The Board requests shareholder authorization to issue debt, including convertible debt without pre-emptive rights, up to near 20% of the share capital. This is in accordance with the Capital Companies Act, but it exceeds guidelines for issuance without pre-emptive rights.

Vote Cast: *Oppose*

## OMV AG AGM - 02-06-2021

### 6. *Ratify Ernst & Young as Auditors for Fiscal Year 2021*

EY proposed. Non-audit fees represented 12.06% of audit fees during the year under review and 10.27% 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: 99.6, Abstain: 0.0, Oppose/Withhold: 0.3,

### 7. *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: 91.9, Abstain: 0.0, Oppose/Withhold: 8.0,

### 8.1. *Approve Long Term Incentive Plan 2021 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.

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: 97.9, Abstain: 0.6, Oppose/Withhold: 1.5,

### 9. *Elect Saeed Al Mazrouei - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: He is current Deputy Chief Executive Officer for Mubadala Investment Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 99.5, Abstain: 0.0, Oppose/Withhold: 0.5,

#### 10. *Approve Use of Repurchased Shares for Long Term Incentive Plans, Deferrals or Other Stock Ownership Plans*

The Board requests authority to approve an authority for the issue of shares by private placement. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.6, Oppose/Withhold: 0.9,

### **DAH SING BANKING GROUP LTD AGM - 02-06-2021**

#### 3.b. *Elect Blair Chilton Pickerell - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is on the board of Dah Sing Bank, a subsidiary of the company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### 4. *Authorise the Board to Fix Directors' Remuneration*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

#### 5. *Appoint the Auditors and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 30.32% of audit fees during the year under review and 47.34% on a three-year aggregate basis. This level of non-audit fees raises some 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*

#### 6. *Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

## GEM DIAMONDS LTD AGM - 02-06-2021

### *2. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. The Company has disclosed quantified targets for performance criteria for the entirety of its variable remuneration component. Nevertheless, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

### *3. Approve the Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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*

### *4. Re-appoint Ernst & Young Inc. as the Auditors*

EY proposed. Non-audit fees represented 16.95% of audit fees during the year under review and 12.97% 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*

### *10. Re-elect Marzi Maharasoia - Designated Non-Executive*

Non-Executive Director. Not considered independent as the director was previously employed by the Company. There is sufficient independent representation on the Board. However, it is noted that the director is the Chair of Audit committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

### *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*

### 17. *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*

## ALPHABET INC AGM - 02-06-2021

### 1.3. *Elect Sundar Pichai - Chief Executive*

Chief Executive. There are a number of issues that have allegedly occurred in the year under review, for which the Chief Executive is considered accountable. These are primarily regarding treatment of employees, with particular reference to the treatment of those who suggest collective action or criticize the corporate culture, in addition to the company abusing the market leading position of many of its subsidiaries, and using this position to engage in alleged price fixing and other monopolistic business practices which are not considered appropriate. The Chief Executive is considered to be operationally responsible for these issues. As such, given the concerns over the Company's governance policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.1, Oppose/Withhold: 1.1,

### 1.4. *Elect John L. Hennessy - 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 the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 94.4, Abstain: 0.1, Oppose/Withhold: 5.6,

### 1.6. *Elect L. John Doerr - 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: 79.7, Abstain: 0.1, Oppose/Withhold: 20.1,

### 1.7. *Elect Roger W. Ferguson, Jr. - 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: 99.1, Abstain: 0.1, Oppose/Withhold: 0.8,

### 1.8. *Elect Ann Mather - 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: 78.5, Abstain: 0.1, Oppose/Withhold: 21.4,

### 1.10. *Elect K. Ram Shriram - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of more than nine years. In addition, Mr. Shriram is a Trustee of Stanford University, to which the Company paid \$5.7 million in 2015 for scholarships, research and consulting services. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 88.3, Abstain: 0.1, Oppose/Withhold: 11.6,

### 1.11. *Elect Robin L. Washington - 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: 88.8, Abstain: 0.1, Oppose/Withhold: 11.0,

### 2. *Appoint the Auditors*

EY proposed. Non-audit fees represented 13.16% of audit fees during the year under review and 18.22% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.1, Oppose/Withhold: 1.7,

### 3. *Approve New Omnibus Plan*

The Plan is presented as an omnibus plan, which means that bundled within the same official plan there are various incentive plan elements aimed at rewarding different groups of employees, officers and executives. However, it is noted that the Compensation Committee retains the power to select employees to receive awards and determine the terms and conditions of awards (and also note that 'management employees' appear most likely to be the principal beneficiaries of the Plan). On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 83.8, Abstain: 0.1, Oppose/Withhold: 16.1,

## **ULTA BEAUTY INC. AGM - 02-06-2021**

### 2. *Appoint the Auditors*

EY proposed. Non-audit fees represented 64.37% of audit fees during the year under review and 62.38% 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: 94.8, Abstain: 0.1, Oppose/Withhold: 5.0,

### 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: ACA. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 89.8, Abstain: 0.3, Oppose/Withhold: 9.9,

## COMCAST CORPORATION AGM - 02-06-2021

### 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: AEB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.5, Abstain: 0.2, Oppose/Withhold: 12.3,

### 3. *Ratify Deloitte & Touche LLP as Auditors*

Deloitte proposed. Non-audit fees represented 7.44% of audit fees during the year under review and 4.95% 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: 0.0, Oppose/Withhold: 2.3,

## CHINA MENGNIU DAIRY CO AGM - 02-06-2021

### 3.a. *Elect Niu Gensheng - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he was a member of the team that founded Yili, the founder of Inner Mongolia Mengniu Dairy, a wholly owned subsidiary of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 3.b. *Elect Yau Ka Chi - 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 auditor: Ernst & Young the company's auditor where he worked until an undisclosed date. Therefore, the cool-off period cannot be calculated. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *3.c. Elect Simon Dominic Stevens - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Arla Foods. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *4. Appoint the Auditors and Allow the Board to Determine their Remuneration*

EY proposed. Non-audit fees represented 82.54% of audit fees during the year under review and 84.83% 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.

Vote Cast: *Oppose*

### *5. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

## **HONG KONG & CHINA GAS CO LTD AGM - 02-06-2021**

### *3.I. Re-elect Lee Ka Shing - 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*

### *3.II. Re-elect Poon Chung Kwong - 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*

### *4. Appoint the Auditors (PricewaterhouseCoopers) and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 59.69% of audit fees during the year under review and 45.48% 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*

#### *5.II. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

#### *5.III. 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*

#### *5.IV. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

### **GENTING BHD AGM - 02-06-2021**

#### *2. Approve Fees Payable to the Board of Directors*

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*

#### *3. 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*

#### *4.1. Re-elect Tan Sri Lim Kok Thay - 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*

#### *5. Appoint the Auditors (PricewaterhouseCoopers PLT) and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 0.00% 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 five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Abstain*

#### *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 Related Party Transaction*

Approval is sought for authority to enable the Company and/or its subsidiary companies to enter into Recurrent Related Party Transactions of a revenue or trading nature pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, among the Company, its subsidiaries or affiliate companies, directors, chief executive officer(s), controlling shareholders of the Company and their respective associates and relatives. Whilst it is stated that procedures are in place to ensure the transactions are conducted at arm's length basis, such general authorities are not supported, as they do not allow thorough assessment of proposals from shareholders. Specific details relating to specific transactions should be provided to shareholders for thorough assessment.

*Vote Cast: Oppose*

#### *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*

### **GRIEG SEAFOOD AS AGM - 02-06-2021**

#### *4. Approve the Dividend*

The dividend proposal was not made available in sufficient time prior to the meeting. On this basis, abstention is recommended.

*Vote Cast: Abstain*

*9.a. Elect Elisabeth Grieg as a 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*

*9.b. Elect Yngve Myhre as a 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*

*10.a. 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. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

*10.b. Resolving to Continue the Share Program and the Option Program; Including That the Board May Grant Synthetic Options, Limited to a Maximum of 3 Million Synthetic Options Over the Next 2-year Period*

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*

*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*

## PAGEGROUP PLC AGM - 03-06-2021

### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 94.8, Abstain: 5.2, Oppose/Withhold: 0.0,

### 3. *Re-elect David Lowden - Chair (Non Executive)*

Non-Executive Chair of the Board. As the company do not have a Sustainability , 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: 94.9, Abstain: 4.8, Oppose/Withhold: 0.4,

### 12. *Re-appoint Ernst & Young LLP as Auditors*

EY proposed. Non-audit fees represented 2.63% of audit fees during the year under review and 1.49% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than 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: 95.2, Abstain: 0.0, Oppose/Withhold: 4.8,

### 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: 95.1, Abstain: 0.1, Oppose/Withhold: 4.8,

### **SAMSONITE INTERNATIONAL SA AGM - 03-06-2021**

#### *3.2. Elect Keith Hamill - 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*

#### *4. Renew Mandate Granted to KPMG Luxembourg as Statutory Auditor*

KPMG proposed. Non-audit fees represented 75.00% of audit fees during the year under review and 32.05% 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*

#### *5. Approve KPMG LLP as External Auditor*

KPMG proposed. Non-audit fees represented 75.00% of audit fees during the year under review and 32.05% 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*

#### *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. 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*

## XXL ASA AGM - 03-06-2021

### *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. 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*

### *6.a. Elect Hugo Maurstad*

Chair (Non Executive). Not considered independent as the director is considered to be connected with a significant shareholder: Altor, which requested his appointment on the Board. There is sufficient independent representation on the Board.

*Vote Cast: Oppose*

### *6.c. Elect Ulrike Koehler*

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*

### *6.d. Elect Tom Jovik as Observer*

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*

### *10. Board Authorisation to Increase the Share Capital - Share Incentive Program*

The Board requests authority to approve an authority for the issue of shares by private placement. 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*



#### 11. *Board Authorisation to Increase the Share Capital – Financing*

The Board requests authority to approve an authority for the issue of shares by private placement. 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*

#### 14. *Board Authorisation for the Acquisition of the Company's Own Shares – Acquisitions*

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*

#### 13. *Board Authorisation for the Acquisition of the Company's Own Shares – Optimization of Capital Structure*

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*

#### 9. *Elect Nomination Committee*

The Company, has not disclosed any information regarding the nominees to the nomination committee. Opposition is recommended.

Vote Cast: *Oppose*

### **INFORMA PLC AGM - 03-06-2021**

#### 12. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 6.25% of audit fees during the year under review and 31.63% 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*

Results: For: 96.3, Abstain: 0.0, Oppose/Withhold: 3.7,

#### 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: 95.0, Abstain: 0.2, Oppose/Withhold: 4.9,

#### 18. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.1, Oppose/Withhold: 0.9,

### **NVIDIA CORPORATION AGM - 03-06-2021**

#### 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: ADC. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.9, Abstain: 0.7, Oppose/Withhold: 4.4,

#### 3. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 9.81% of audit fees during the year under review and 7.58% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. 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: 0.5, Oppose/Withhold: 1.0,

#### 4. *Approve Authority to Increase Authorised Share Capital*

Authority is sought to increase the authorised share capital of the Company up to 4 billion shares. At this time, the company has not disclosed whether successive increases would be carried out with or without pre-emptive rights. As such, the aggregate authority may exceed recommended limits for issues with or without pre-emptive rights. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 95.5, Abstain: 0.6, Oppose/Withhold: 3.9,

### **PROSEGUR COMPANIA DE SEGURIDAD AGM - 03-06-2021**

#### 1. *Approve Consolidated and Standalone Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. There are alleged issues surrounding Prosegur not providing workers in Brazil with protection against COVID which are not considered appropriate business practice

due to the company is not giving a minimum health security to the workers to be able to carry out their work in these COVID times. Additionally, there has been found serious governance concerns regarding the issue that Prosegur in Peru has been ruled by local court to readmit employees due to unfair dismissal. It is considered that the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. This company is considered to be in a high-risk sector, with regards to exposure of staff to COVID-19. In addition, regarding the recent claim that Prosegur does not provide workers in Brazil with protection against COVID, it is expected that the company should do full disclosure of causes of fatalities be provided, particularly where related to cases of COVID-19 among staff. Adequate measurement of such cases is considered to be material for the financial resilience of the company in the long term. Due to lack of disclosure, opposition is recommended.

*Vote Cast: Oppose*

### *3. Approve Non-Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified.

There are alleged issues surrounding Prosegur not providing workers in Brazil with protection against COVID which are not considered appropriate business practice due to the company is not giving a minimum health security to the workers to be able to carry out their work in these COVID times. Additionally, there has been found serious governance concerns regarding the issue that Prosegur in Peru has been ruled by local court to readmit employees due to unfair dismissal. It is considered that the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. This company is considered to be in a high-risk sector, with regards to exposure of staff to COVID-19. In addition, regarding the recent claim that Prosegur does not provide workers in Brazil with protection against COVID, it is expected that the company should do full disclosure of causes of fatalities be provided, particularly where related to cases of COVID-19 among staff. Adequate measurement of such cases is considered to be material for the financial resilience of the company in the long term. Due to lack of disclosure, opposition is recommended.

*Vote Cast: Oppose*

### *4. Discharge the Board*

Standard proposal. There are alleged issues surrounding Prosegur not providing workers in Brazil with protection against COVID which are not considered appropriate business practice due to the company is not giving a minimum health security to the workers to be able to carry out their work in these COVID times. It is considered that the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. This company is considered to be in a high-risk sector, with regards to exposure of staff to COVID-19. In addition, regarding the recent claim that Prosegur does not provide workers in Brazil with protection against COVID, it is expected that the company should do full disclosure of causes of fatalities be provided, particularly where related to cases of COVID-19 among staff. Adequate measurement of such cases is considered to be material for the financial resilience of the company in the long term. Additionally, there has been found serious governance concerns regarding the issue that Prosegur in Peru has been ruled by local court to readmit employees due to unfair dismissal. As the CEO or the Chair of the board are not up for election, which are the main roles with operational and supervisory responsibility in the matter, opposition to discharge the Board is recommended.

*Vote Cast: Oppose*

### *6. Elect Rodrigo Ignacio Zulueta Galilea - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was previously employed by the Company as Managing Director. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *11. 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*

#### *12. Approve Long-Term Global Optimum Plan*

It is proposed to approve a new long term incentive plan. The Company has not disclosed the performance criteria for the allocation of incentives, and as such there are concerns that it may overpay for underperformance. In addition, LTIPs are not considered an effective means of incentivising performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature. Opposition is recommended.

*Vote Cast: Oppose*

#### *13. Approve 2021-2023 Long-Term Incentive Plan*

It is proposed to approve a new long term incentive plan. The Company has not disclosed the performance criteria for the allocation of incentives, and as such there are concerns that it may overpay for underperformance. In addition, LTIPs are not considered an effective means of incentivising performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature. Opposition is recommended.

*Vote Cast: Oppose*

### **SCHRODER UK PUBLIC PRIVATE TRUST PLC AGM - 04-06-2021**

#### *8. Appoint the Auditors*

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.

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: 97.5, Abstain: 0.1, Oppose/Withhold: 2.4,*

#### *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: 97.6, Abstain: 0.1, Oppose/Withhold: 2.3,*

### **NORWEGIAN AIR SHUTTLE ASA AGM - 04-06-2021**

#### *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*

#### *8. Elect Nomination Committee*

The Board of Directors seeks authority to approve the guidelines for the Nomination Committee. The guidelines include the standard set of tasks and rules of procedure for the Nomination Committee. Members should be independent from the management. Although in line with the recommendation of the Corporate Governance Code, in terms of best practice it is considered that the majority of the members of the Committee should be independent also from major shareholders. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *9. Approve Fees Payable to the Board of Directors*

No proposal is available at the present time. As per market practice, the proposed remuneration is likely to be made available only at the meeting. Although this is a common practice for a standard item in this market, support will not be suggested for resolutions concerning remuneration when sufficient information

has not been made available for shareholders in sufficient time prior to the meeting, as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended.

*Vote Cast: Abstain*

#### *10. Approve the Remuneration of the Nomination Committee*

No proposal is available at the present time. As per market practice, the proposed remuneration is likely to be made available only at the meeting. Although this is a common practice for a standard item in this market, support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting, as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended.

*Vote Cast: Abstain*

#### *12. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

### **SINO BIOPHARMACEUTICAL LTD AGM - 07-06-2021**

#### *3. Elect Tse Ping - Vice Chair (Executive)*

Executive Director. Member of the Committee. It is considered best practice that the committee should only comprise independent non-executive directors. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *9. Authorise the Board to Fix Directors' Remuneration*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

#### *10. Appoint the Auditors and Allow the Board to Determine their Remuneration*

EY proposed. Non-audit fees represented 0.08% of audit fees during the year under review and 0.46% 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*

*11.a. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

*11.b. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

*11.c. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

**UNITEDHEALTH GROUP INCORPORATED AGM - 07-06-2021**

*1.a. Elect Richard T. Burke - Senior Independent Director*

Senior Independent Director. Lead Independent Director since September 2017. Not considered independent as he was CEO of UnitedHealthcare Inc., the predecessor to the Company, until 1988 and has served on the board for more than nine years. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the Board.

*Vote Cast: Oppose*

*Results: For: 93.3, Abstain: 0.3, Oppose/Withhold: 6.5,*

*1.c. Elect Stephen J. Hemsley - Chair (Non Executive)*

Non Executive Chair. Mr. Hemsley previously served as Executive Chair of the Board from September 2017 to November 2019, Chief Executive Officer from November 2006 to August 2017, President from May 1999 to November 2014, and Chief Operating Officer from November 1998 to November 2006. It is considered that the CHAIR should be considered independent, irrespective of the level of independence of the Board.

*Vote Cast: Oppose*

*Results: For: 95.3, Abstain: 0.2, Oppose/Withhold: 4.5,*

#### 1.d. *Elect Michele J. Hooper - 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: 91.6, Abstain: 0.2, Oppose/Withhold: 8.3,

#### 1.e. *Elect F. William McNabb III - Non-Executive Director*

Non-Executive Director. Not considered Independent as the director is the former CEO and Chair of The Vanguard Group, which is a significant shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.1, Oppose/Withhold: 1.0,

#### 1.h. *Elect Gail R. Wilensky - 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. Additionally, 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 oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 87.0, Abstain: 0.1, Oppose/Withhold: 12.9,

#### 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: ACD. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 72.6, Abstain: 0.2, Oppose/Withhold: 27.3,

#### 3. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 10.00% of audit fees during the year under review and 5.36% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.1, Oppose/Withhold: 1.4,

### **CHINA RESOURCES POWER HLDG AGM - 07-06-2021**

#### 3.3. *Re-elect Raymond Chien Kuo Fung - 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*



### *3.4. Re-elect Elsie Leung Oi-sie - 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*

### *3.5. Authorise the Board to Fix Directors' Remuneration*

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. Opposition from voting this resolution is recommended.

*Vote Cast: Oppose*

### *4. Appoint the Auditors (Deloitte Touche Tohmatsu) and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 10.11% of audit fees during the year under review and 9.46% 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: Oppose*

### *5. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase up to 10% 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*

### *6. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

### *7. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

**CDON AB AGM - 07-06-2021****9.a. 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*

**FREEMPORT-MCMORAN INC. AGM - 08-06-2021****1.2. Elect Richard C. Adkerson - 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: 95.2, Abstain: 0.1, Oppose/Withhold: 4.8,

**1.4. Elect Lydia H. Kennard - 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.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.9, Abstain: 0.1, Oppose/Withhold: 12.0,

**1.5. Elect Dustan E. McCoy - Senior Independent Director**

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role.

Vote Cast: *Oppose*

Results: For: 88.8, Abstain: 0.1, Oppose/Withhold: 11.1,

**2. Ratify Ernst & Young LLP as Auditors**

EY proposed. Non-audit fees represented 4.28% of audit fees during the year under review and 2.94% 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: 99.2, Abstain: 0.1, Oppose/Withhold: 0.8,

### 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: 91.3, Abstain: 0.2, Oppose/Withhold: 8.5,

## **TAIWAN SEMICONDUCTOR MFG CO AGM - 08-06-2021**

### 4.1. *Re-elect Mark Liu - 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*

### 4.3. *Re-elect F.C. Tseng - Non-Executive Director*

Non-Executive Director. He is a former executive of the Company. He was Deputy Chief Executive Officer from August 2001 to June 2005 and President from May 1998 to August 2001. In addition, he serves as Chair of the company's subsidiary TSMC (Shanghai) Company Ltd and has been on the Board for more than nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 4.4. *Elect Ming-Hsin Kung - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: National Development Fund. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 4.5. *Re-elect Peter Leahy Bonfield - 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*

### 4.6. *Re-elect Kok-Choo Chen - Non-Executive Director*

Non-Executive Director. Not considered to be independent as she is a former Executive of the Company (Senior Vice President and General Counsel from 1997 to 2001). Additionally, she has been on the board for over nine years. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### **PLDT INC. AGM - 08-06-2021**

##### *14. Elect Manuel V. Pangilinan*

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*

##### *9. Elect Helen Y. Dee*

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*

##### *11. Elect James L. Go*

Non-Executive Director. Not considered to be independent as the director serves as Chair of JG Summit Holdings, Inc., a significant shareholder of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

##### *12. Elect Shigeki Hayashi - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is an executive at NTT Communications Corporation, a significant shareholder of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

##### *13. Elect Junichi Igarashi - Non-Executive Director*

Non-Executive Director. Not considered independent as the director represents NTT DOCOMO INC., a significant shareholder of the Company. There is insufficient independence on the Board.

*Vote Cast: Oppose*

##### *15. Elect Alfredo S. Panlilio - Executive Director*

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*

*16. Elect Albert F. del Rosario - Non-Executive Director*

Non-Executive Director. Not considered independent as the director serves on the Board of Metro Pacific Resources, Inc. and Philippine Telecommunications Investment Corporation, both significant shareholders of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*17. Elect Marife B. Zamora - 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*

*5. Elect Bernido H. Liu - 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. Elect Artemio V. Panganiban*

Senior Independent Director. Lead Independent Director since March 21, 2019. Not considered independent as the director serves on the Board of Metro Pacific Investment Corporation, related with Metro Pacific Resources Inc., a significant shareholder of the Company. It is considered that a Senior Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Therefore, an oppose vote is recommended.

*Vote Cast: Oppose*

*18. 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*

**MERCADOLIBRE INC AGM - 08-06-2021**

*2. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to

overpayment against underperformance. In addition, there are no claw-back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

### 3. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 24.13% of audit fees during the year under review and 35.50% 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*

## THE TJX COMPANIES INC. AGM - 08-06-2021

### 1a. *Re-elect Zein Abdalla - 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: 99.1, Abstain: 0.1, Oppose/Withhold: 0.8,

### 1b. *Elect José B. Alvarez - Non-Executive Director*

Newly-appointed Non-Executive Director. Not considered independent owing to a tenure of over nine years. The director previously served on the Board from 2007 until 2018. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 99.3, Abstain: 0.1, Oppose/Withhold: 0.6,

### 1c. *Re-elect Alan M. Bennett - Non-Executive Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role.

Vote Cast: *Oppose*

Results: For: 93.8, Abstain: 0.1, Oppose/Withhold: 6.1,

### 1e. *Re-elect David T. Ching - 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: 94.3, Abstain: 0.1, Oppose/Withhold: 5.6,

### 1g. *Re-elect Ernie Herrman - Chief Executive*

Chief Executive. As neither the Chair of the Sustainability Committee is up for re-election, 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: 98.4, Abstain: 0.1, Oppose/Withhold: 1.5,

1h. *Re-elect Michael F. Hines - 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: 94.5, Abstain: 0.1, Oppose/Withhold: 5.4,

1i. *Re-elect Amy B. Lane - 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: 94.5, Abstain: 0.1, Oppose/Withhold: 5.4,

1j. *Re-elect Carol Meyrowitz - 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: 94.1, Abstain: 0.1, Oppose/Withhold: 5.8,

1l. *Re-elect John F. OBrien - Senior Independent 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: 96.2, Abstain: 0.1, Oppose/Withhold: 3.7,

2. *Re-appoint the Auditors: PricewaterhouseCoopers*

PwC proposed. Non-audit fees represented 14.41% of audit fees during the year under review and 17.47% 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 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: 94.8, Abstain: 0.1, Oppose/Withhold: 5.2,

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: ADC. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 88.5, Abstain: 3.0, Oppose/Withhold: 8.5,

## JIANGXI COPPER CO LTD AGM - 08-06-2021

### *1. Amend Articles: 1, 14, 15, 16, 18, 65*

It is proposed to amend the rules for General Meetings. The Board would reduce the number of days (from 45 to 20) required to give written notices of the shareholders' annual general meeting. The reason of this change has not been disclosed and this provision could reduce the shareholders' rights. Moreover, this amendment is not due to make the Articles of Association compliant with a new local regulation. Therefore, opposition is recommended.

*Vote Cast: Oppose*

### *9. 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*

### *11.I. Elect Zheng Gaoqing*

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*

### *12.II. Elect Liu Xike - Non-Executive Director*

Independent Non-Executive Director.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

*Vote Cast: Oppose*

### *12.III. Elect Zhu, Xingwen - Non-Executive Director*

Independent Non-Executive Director.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.



*Vote Cast: Oppose*

*13.I. Elect Guan Yongmin as a Supervisor and Authorize the Board to Fix His Remuneration*

The board requests shareholder approval to elect Mr Guan Yongmin as a Supervisor. Mr Guan Yongmin is not considered independent as he is an employee of the Company. There is insufficient independence on the Supervisory Committee. Therefore, opposition is recommended.

*Vote Cast: Oppose*

*13.II. Elect Wu Donghua as a Supervisor and Authorize the Board to Fix His Remuneration*

The board requests shareholder approval to elect Mr Wu Donghua as a Supervisor. Mr Wu Donghua is not considered independent as he is an employee of the Company. There is insufficient independence on the Supervisory Committee. Therefore, opposition is recommended.

*Vote Cast: Oppose*

*13.III. Elect Zhang Jianhua as a Supervisor and Authorize the Board to Fix His Remuneration*

The board requests shareholder approval to elect Mr Wu Donghua as a Supervisor. Mr Wu Donghua is not considered independent as he is an employee of the Company. There is insufficient independence on the Supervisory Committee. Therefore, opposition is recommended.

*Vote Cast: Oppose*

**ARCELORMITTAL SA AGM - 08-06-2021**

*O.I. Approval of the Consolidated Financial Statements for the financial year 2020*

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: 94.4, Abstain: 5.2, Oppose/Withhold: 0.4,*

*O.II. Approval of the Parent Company Financial Statements for the financial year 2020*

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: 94.4, Abstain: 5.2, Oppose/Withhold: 0.4,*

*O.V. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the

Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 90.6, Abstain: 6.2, Oppose/Withhold: 3.2,

#### O.VIII. *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. In addition, on 8 June 2020, unions representing workers at Ilva in Italy (which ArcelorMittal acquired in 2018) called a strike for 9 June 2020, to protest at reported plans to cut 5,000 jobs the Taranto facility. On 5 June 2020, Italian media reported that the company submitted a new industrial plan which included 5,000 job cuts. Italian minister Stefano Patuanelli accused ArcelorMittal to breach the agreement signed in March 2020, where the company agreed to suspend plans to walk away from the plant, in exchange for a significant injection of state funding. In November 2019, ArcelorMittal said would withdraw from a deal to buy struggling Italian steelmaker Ilva, after government would not maintain immunity from prosecution over its heavily polluting plant. On 19 November 2019, the company's offices in Italy were raided by police. In 2018, the company reached a deal to buy Ilva, which is based in the southern city of Taranto and employs 8,000 workers, with additional thousands more jobs being indirectly tied to the site. Based on these concerns, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 88.1, Abstain: 5.2, Oppose/Withhold: 6.7,

#### O.X. *Elect Tye Burt - 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: 87.2, Abstain: 5.8, Oppose/Withhold: 7.0,

#### O.XII. *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. Additionally, the limit of the authorization stands at 15% of the share capital, which is considered excessive. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 93.8, Abstain: 4.8, Oppose/Withhold: 1.4,

#### O.XIII. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 0.82% of audit fees during the year under review and 1.56% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 93.8, Abstain: 4.8, Oppose/Withhold: 1.4,

#### O.XIV. *Renew the ArcelorMittal Equity Plan*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful

- dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 92.5, Abstain: 5.6, Oppose/Withhold: 2.0,

## **SAN MIGUEL CORP AGM - 08-06-2021**

### *6. Approve Fees Payable to the Board of Directors*

No proposal is available at the present time. As per market practice, the proposed remuneration is likely to be made available only at the meeting. Although this is a common practice for a standard item in this market, support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting, as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended.

Vote Cast: *Abstain*

### *7. Appoint the Auditors*

R.G. Manabat & Co. 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*

### *9. Elect John Paul L. Ang - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has close family ties with the Company. Mr. John Paul L. Ang is the son of Mr. Ramon S. Ang. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *10. Elect Aurora T. Calderon - Executive Director*

Executive Director. 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.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

Vote Cast: *Oppose*

*11. Elect Joselito F. Campos, Jr. - Non-Executive Director*

Non-Executive Director. Not considered independent as he is the Chief Operating Officer of Del Monte Pacific Limited whose subsidiaries are clients of the Corporation's packaging business. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*12. Elect Jose C De Venecia Jr - 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*

*13. Elect Menardo R. Jimenez - Non-Executive Director*

Non-Executive Director. 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.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

*Vote Cast: Oppose*

*14. Elect Estelito P. Mendoza - 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*

*15. Elect Alexander J. Poblador - 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*

*16. Elect Thomas A. Tan - Non-Executive Director*

Non-Executive Director. Not considered independent as he is the President and General Manager of SMC Shipping and Lighterage Corporation, a subsidiary of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### 18. *Elect Iñigo Zobel - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Moreover, he is not considered independent as the director is considered to be connected with the controlling shareholder: Top Frontier Investment Holdings Inc. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### 20. *Elect Diosdado M. Peralta*

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*

#### 21. *Elect Reynato S. Puno - Senior Independent Director*

Senior Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the Board.

*Vote Cast: Oppose*

#### 22. *Elect Margarito B. Teves - Non-Executive Director*

Independent Non-Executive Director. 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.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

*Vote Cast: Oppose*

#### 23. *Re-election of Independent Directors*

Election of independent directors is bundled in one resolution. Although slate elections are not considered to be best practice, they are common in this market. Regardless of the independent representation on the board, full biographical disclosure for the candidates (whose names are disclosed) has not been provided at this time, preventing from providing an informed assessment. This is considered a serious lack of disclosure and an oppose vote is recommended.

*Vote Cast: Oppose*

**APERAM SA AGM - 08-06-2021****VI. *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*

**VII. *Approve Annual Fees Structure of the Board and Remuneration of CEO***

Based on Resolution III, allocating a total amount of remuneration for the Board of Directors in relation to the financial year 2020 of EUR 543,415, the General Meeting approves the following annual fees per function that Directors hold. It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw-back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

**X. *Appoint PricewaterhouseCoopers as 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. PwC proposed as new auditor in replacement of Deloitte. Auditor rotation is considered a positive factor. Acceptable proposal.

*Vote Cast: Oppose*

**XI. *Approve Share Plan Grant Under the Leadership Team Performance Share Unit Plan***

The Board requests authority to approve an authority for the issue of shares by private placement. 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*

**UNITED MICROELECTRONICS CORP AGM - 08-06-2021****3. *Approve Issue of Shares for Private Placement***

The Board requests authority to approve an authority for the issue of shares by private placement. 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*

#### 4.7. *Re-elect Stan Hung - 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*

### **CHINA RESOURCES LAND LTD AGM - 09-06-2021**

#### 3.1. *Elect Chen Rong - Non-Executive Director*

Non-Executive Director. Not considered independent as he serves as the General Manager of the Strategy Department of China Resources (Holdings) Company Limited, the controlling shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### 3.2. *Elect Wang Yan - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he is currently General Manager at China Resources (Holdings) Company Limited which has a significant shareholding in the company. He has held various executive roles for China Resource Holding. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### 3.3. *Elect Li Xin*

President.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

Vote Cast: *Oppose*

#### 3.5. *Elect Wang Yan - 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*

### *3.6. Elect Andrew Yan - 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*

### *3.7. Authorise the Board to Fix Directors' Remuneration*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

### *4. Appoint the Auditors and Allow the Board to Determine their Remuneration*

EY proposed. Non-audit fees represented 31.50% of audit fees during the year under review and 20.91% 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*

### *5. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

### *6. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

### *7. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*



## MIN XIN HOLDINGS LTD AGM - 09-06-2021

### 3.b. *Elect Hon Hau Chit - Non-Executive Director*

Non-Executive Director. Not considered independent as he is the Managing Director of Citychamp Dartong Company Limited, one of the significant shareholders of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 3.c. *Elect Yang Jingchao - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Fujian Investment & Development Group Co., Ltd., which is the controlling shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 3.d. *Elect Cheung Man Hoi - Non-Executive Director*

Non-Executive Director, member of the Nomination Committee. Gender balance on the Board is under 20%, which is considered as best practice in this market, although there are no specific local legal requirements or recommendations. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members and members of the Nomination Committee, to ensure that there is adequate gender diversity on the Board. Opposition is recommended.

Vote Cast: *Oppose*

## 4. *Authorise the Board to Fix Directors' Remuneration*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

## 5. *Appoint the Auditors and Allow the Board to Determine their Remuneration*

KPMG proposed. Non-audit fees represented 15.99% of audit fees during the year under review and 15.96% 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*

## 6. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

**7. Approve General Share Issue Mandate**

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

**8. Extend the General Share Issue Mandate to Repurchased Shares**

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

Vote Cast: *Oppose*

**WPP PLC AGM - 09-06-2021**

**10. Re-elect Roberto Quarta - Chair (Non Executive)**

Chair. The Chair is not considered to be independent as Mr. Mr Quarta was appointed Executive Chair from 14 April 2018 to 03 September 2018, when Mr. Read appointed CEO of the company. 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, The Chair is also chairing another company within the FTSE 350 index. It is considered that a chair cannot effectively represent two corporate cultures. The possibility of having to commit additional time to the role in times of crisis is ever present. Given this, a Chair should focus his attention onto the only one FTSE 350 Company. Overall opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.0, Oppose/Withhold: 1.2,

**12. Re-elect John Rogers - 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: 98.7, Abstain: 0.0, Oppose/Withhold: 1.2,

**18. Re-appoint Deloitte LLP as Auditors**

Deloitte proposed. Non-audit fees represented 5.24% of audit fees during the year under review and 18.48% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.1, Abstain: 0.4, Oppose/Withhold: 5.5,

#### 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: 99.4, Abstain: 0.1, Oppose/Withhold: 0.6,

#### 23. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 90.7, Abstain: 0.1, Oppose/Withhold: 9.3,

### **AQUILA EUROPEAN RENEWABLES INCOME FUND PLC AGM - 09-06-2021**

#### 7. *Reappoint PricewaterhouseCoopers as the Auditors*

PwC proposed. Non-audit fees represented 0.00% of audit fees during the year under review and 30.90% 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*

## 12. *Issue Additional Shares for Cash*

The board is seeking shareholder approval for the issuance of additional shares for cash and expires at the next AGM. It is noted the share issuance shall be limited to the allotment of equity securities for cash in connection with the Company's discount control mechanism up to an aggregate nominal amount of EUR 317,624.81. The authority to allot further shares of 10% for cash is considered excessive. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

## IP GROUP PLC AGM - 09-06-2021

### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. CEO's salary rose by 2.1% while the salaries of employees rose by 8%. The CEO's salary is in the median of the Company's comparator group.

**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. Realized variable pay consisted only of the annual bonus, as no LTIP awards vested due to performance conditions not being met. The Annual Bonus was acceptable, standing at 93.3% of salary for the CEO. The ratio of CEO pay compared to average employee pay currently stands at 7:1, which is acceptable.

Rating: AC

Vote Cast: *Abstain*

Results: For: 97.0, Abstain: 0.7, Oppose/Withhold: 2.3,

### 5. *Re-appoint KPMG LLP as Auditors*

KPMG proposed. Non-audit fees represented 2.20% of audit fees during the year under review and 2.74% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. 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: 99.3, Abstain: 0.0, Oppose/Withhold: 0.7,

*18. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 96.4, Abstain: 0.0, Oppose/Withhold: 3.6,

*20. Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.3, Abstain: 0.0, Oppose/Withhold: 0.7,

**BEIJING ENTERPRISES WATER GROUP AGM - 09-06-2021**

*3A.I. Elect Li Yongcheng*

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*

*3A.V. Elect Zhao Feng*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Yangtze Ecology and Environment Co., Ltd.. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

*3A.V. Elect Shea Chun Lok Quadrant - 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*

### *3A.VI. Elect Shea Chun Lok Quadrant - 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*

### *3B. Authorise the Board to Fix Directors' Remuneration*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

### *4. Appoint the Auditors and Allow the Board to Determine their Remuneration*

EY proposed. Non-audit fees represented 31.67% of audit fees during the year under review and 40.56% on a three-year aggregate basis. This level of non-audit fees raises some 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*

### *5. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

### *6. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

### *7. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

## CATERPILLAR INC. AGM - 09-06-2021

### 1.2. *Elect David L. Calhoun - Lead Independent Director*

Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 94.3, Abstain: 0.7, Oppose/Withhold: 5.0,

### 1.3. *Elect Daniel M. Dickinson - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is 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: 94.6, Abstain: 0.3, Oppose/Withhold: 5.2,

### 1.7. *Elect Edward B. Rust Jr. - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member 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: 0.3, Oppose/Withhold: 4.2,

### 1.9. *Elect D. James Upleby III - 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. In addition, 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 the concerns over the Company's sustainability policies and practice and the merging of the CEO and Chair roles, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 93.2, Abstain: 0.5, Oppose/Withhold: 6.3,

### 1.10. *Elect Miles D. White - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 83.3, Abstain: 0.3, Oppose/Withhold: 16.4,

## 2. *Ratify PricewaterhouseCoopers as Auditors*

PwC proposed. Non-audit fees represented 0.51% of audit fees during the year under review and 0.65% 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: 96.4, Abstain: 0.3, Oppose/Withhold: 3.3,

### 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: 93.8, Abstain: 0.7, Oppose/Withhold: 5.5,

## CHINA MOBILE LTD EGM - 09-06-2021

### 1. *Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

### 3. *Approve Plan for Distribution of Profits Accumulated Before the RMB Share Issue*

Disclosure is acceptable and the Plan for Distribution of Profits Accumulated Before the RMB Share Issue was made available sufficiently before the meeting. However, the authority in Relation to the RMB Share Issue is exceeding 10% of the share capital. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

### 4. *Approve Price Stabilization Plan of RMB Shares for Three Years After the Proposed Issue of RMB Shares*

The Board seek to approve Price Stabilization Plan of RMB Shares for Three Years After the Proposed Issue of RMB Shares.

**Introduction:** The board states that A Shares has been lower than the latest audited net asset value per share for 20 consecutive trading days within three years following the issuing and listing of RMB Shares. Under the Plan, the controlling shareholder or the actual controller of the Company shall, within 10 trading days after the fulfillment of the Condition for Share Price Stabilisation, notify the Company as to whether they have any specific plan to increase their holding of A Shares of the Company. If the controlling shareholder or the actual controller of the Company plan to increase its shareholding, it shall disclose the range of quantity and price, completion time and other information, and the total amount of funds to be used for such increase in shareholding shall not be less than RMB 200 million.

The relevant Directors and senior management shall purchase A Shares within 10+N trading days after the obligation to increase their shareholding in the Company, and their cumulative amount of funds to be used for such increase in shareholding shall not be less than 10% of the total amount of post-tax remuneration received from the Company in the previous year.

**Recommendation:** The Board requests authority to issue capital related securities without adhering to the general pricing conditions. The authority in Relation to the RMB Share Issue is exceeding 10% of the share capital over a period of 12 months at a time, until a total duration of the authority of 36 months. Given concerns over the level of discount that were not disclosed, and total duration of the authority, opposition is recommended.



*Vote Cast: Oppose*

*5. Approve Shareholders Return Plan Within Three Years After RMB Share Issue*

Disclosure is acceptable and the Shareholders Return Plan was made available sufficiently before the meeting. However, the authority in Relation to the RMB Share Issue is exceeding 10% of the share capital. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

*6. Approve Use of Proceeds from RMB Share Issue*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

*7. Approve Remedial Measures for the Potential Dilution of Immediate Returns Resulting from the RMB Share Issue*

Disclosure is acceptable and the Remedial Measures for the Potential Dilution of Immediate Returns Resulting from the RMB Share Issue was made available sufficiently before the meeting. However, the authority in Relation to the RMB Share Issue is exceeding 10% of the share capital. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

*8. Approve Undertakings and the Corresponding Binding Measures in Connection with the Proposed Issue of RMB Shares*

Disclosure is acceptable and the Corresponding Binding Measures in Connection with the Proposed Issue of RMB Shares was made available sufficiently before the meeting. However, the authority in Relation to the RMB Share Issue is exceeding 10% of the share capital. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

*12. Adopt New Articles of Association*

This proposal is considered to be a technical item in order to publish a new version of the Articles, including the proposed amendments. Based on the concerns expressed on the proposals, opposition is recommended.

*Vote Cast: Oppose*

**DOLLARAMA INC AGM - 09-06-2021**

*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: BCB. Based on this rating, abstention is recommended. As abstention is not a valid voting option for this meeting, opposition is advised.

Vote Cast: *Oppose*

## **SINOPHARM GROUP CO CLASS - 10-06-2021**

### *1. 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*

## **DOLLAR TREE INC AGM - 10-06-2021**

### *1.g. Elect Bob Sasser - 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: 92.7, Abstain: 0.1, Oppose/Withhold: 7.2,

### *1.h. Elect Stephanie P. Stahl - Non-Executive Director*

Independent Non-Executive Director. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.8, Abstain: 0.0, Oppose/Withhold: 7.2,

### *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: ACB. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 89.8, Abstain: 0.4, Oppose/Withhold: 9.8,

### 3. Ratify KPMG LLP as Auditors

KPMG proposed. Non-audit fees represented 0.23% of audit fees during the year under review and 0.08% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 96.3, Abstain: 0.1, Oppose/Withhold: 3.7,

### 4. Approve the Dollar Tree, Inc. 2021 Omnibus Incentive Plan

The Board of Directors are requesting for shareholders to approve the Dollar Tree, Inc. 2021 Omnibus Incentive Plan (the "Plan"). The Plan would constitute approval of up to 6.5million shares. The plan permit the granting of stock options, stock appreciation rights, restricted stock awards, restricted stock units, and other forms of equity-based or equity-related awards pursuant to Section 12 of the Plan ("Other Stock-Based Awards"). However, it is noted that the Compensation Committee retains the power to select employees to receive awards and determine the terms and conditions of awards.

The Plan is presented as an omnibus plan, which means that bundled within the same official plan there are various incentive plan elements aimed at rewarding different groups of employees, officers and executives. However, it is noted that the Compensation Committee retains the power to select employees to receive awards and determine the terms and conditions of awards (and also note that 'management employees' appear most likely to be the principal beneficiaries of the Plan). On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.3, Abstain: 0.1, Oppose/Withhold: 3.7,

## WM MORRISON SUPERMARKETS PLC AGM - 10-06-2021

### 2. Approve the Remuneration Report

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. It is noted that the remuneration committee offered Mr. David Potts an increase in line with the inflation, which Mr Potts has waived for the sixth consecutive year, and therefore his salary remains unchanged at GBP 850,000. The CEO's salary is considered as being in the median range of a peer comparator group

**Balance:**The CEO's total realized variable pay is considered excessive at 364.2% of salary (Annual Bonus: 200% of salary, LTIP: 164.2% of salary). Ratio of CEO to average employee pay has been estimated and is found unacceptable at 163:1. Changes in CEO total pay are not considered in line with company financial performance over the same period. Over the five-year period average annual increase in CEO pay has been approximately 25.49% whereas, on average, TSR has increased by 6.65%

Rating: AD

Vote Cast: *Oppose*

Results: For: 25.9, Abstain: 13.4, Oppose/Withhold: 60.7,

### 4. Re-elect Andrew Higginson - Chair (Non Executive)

Chair. Independent upon appointment. In addition, Mr. Higginson is Chair of the Nomination Committee.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to

higher returns. At this time, diversity on the board is below the above-mentioned level; nevertheless, the company has stated it as target by the 2022 Annual General Meeting, which is considered acceptable. It is noted that Mr. Higginson on the 2020 AGM received significant opposition on his re-election of 12.68% of the votes, and the company did not disclose information's how it address the issue with its shareholders. On balance abstention is recommended.

*Vote Cast: Abstain*

*Results: For: 81.0, Abstain: 4.1, Oppose/Withhold: 14.9,*

### *13. Re-appoint PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 18.18% of audit fees during the year under review and 17.24% 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: 97.7, Abstain: 0.0, Oppose/Withhold: 2.2,*

### *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: 97.4, Abstain: 0.4, Oppose/Withhold: 2.3,*

## **INVESCO PERPETUAL UK SMALLER COMPANIES AGM - 10-06-2021**

### *6. Re-elect Bridget Guerin - Senior Independent Director*

Newly appointed Senior Independent Director. Not considered independent as Ms. Guerin was Non-Executive Director in the Board of Charles Stanley, a significant shareholder of the company. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the

Board. In addition, there are concerns over potential aggregate time commitments, however, Ms. Guerin has attended all Board and committee meetings during the year under review. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 76.6, Abstain: 0.1, Oppose/Withhold: 23.4,

#### 9. *Re-appoint Ernst & Young LLP as the auditor of the Company*

EY proposed. Non-audit fees represented 18.52% of audit fees during the year under review and 6.02% 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: 76.2, Abstain: 0.1, Oppose/Withhold: 23.6,

#### 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: 99.9, Abstain: 0.0, Oppose/Withhold: 0.1,

## TOYOTA INDUSTRIES CORP AGM - 10-06-2021

### 1.1. *Elect Toyoda Tetsuro - Chair (Executive)*

Chair. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

### 1.2. *Elect Oonishi Akira - President*

Executive Director, President. It is considered the responsibility of the most senior Board member to ensure that there is appropriate outside oversight of Board decisions. As there are three or more outside directors, it is considered that there is adequate outside presence on the Board, and support is therefore 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*

### 1.8. *Elect Maeda Masahiko - Non-Executive Director*

Non-Executive Director, not considered to be independent. Not considered independent as the candidate is considered to be connected to a major shareholder. There is insufficient independent representation on the Board (less than one-third of the whole Board). Opposition is recommended.

Vote Cast: *Oppose*

### 2.1. *Elect Inagawa Tooru*

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. *Payment of Bonus to Directors and Corporate Auditors*

The company proposes the payment of bonuses to directors and corporate auditors. Although shareholders are given an opportunity to vote at the Annual Meetings on bonus payments, outside directors are permitted to benefit from payment of a retirement allowance. As payment of outsiders represents a conflict in interest, an oppose vote is recommended.

Vote Cast: *Oppose*

## FIRST PACIFIC CO LTD AGM - 10-06-2021

### *3. Appoint the Auditors and Allow the Board to Determine their Remuneration*

EY proposed. Non-audit fees represented 21.74% of audit fees during the year under review and 22.79% 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 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*

### *4.I. Elect Anthoni Salim*

Non-Executive Chair, member of the Nomination Committee. Gender balance on the Board is under 20%, which is considered as best practice in this market, although there are no specific local legal requirements or recommendations. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members and members of the Nomination Committee, to ensure that there is adequate gender diversity on the Board. Opposition is recommended.

Vote Cast: *Oppose*

### *4.II. Elect Philip Fan Yan Hok - Non-Executive Director*

Non-Executive Director and Chair of the Nomination Committee. Gender balance on the Board is under 20%, which is considered as best practice in this market, although there are no specific local legal requirements or recommendations. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members and members of the Nomination Committee, to ensure that there is adequate gender diversity on the Board. Opposition is recommended.

Vote Cast: *Oppose*

### *4.III. Elect Madeleine Lee Suh Shin - 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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

### *6. Authorisation of the Board Under Bye-law 99 to Appoint Additional Directors*

It is proposed to give power to the Board to appoint any person as a Director to fill a casual vacancy or, if authorised by Shareholders in general meeting, as an addition to the Board. No biographical information on potential candidates has been disclosed. This is considered a serious lack of information. Opposition is recommended.

Vote Cast: *Oppose*

### *8. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

## **SINOPHARM GROUP CO AGM - 10-06-2021**

### *5. Approve Fees Payable to the Board of Directors*

No proposal is available at the present time. As per market practice, the proposed remuneration is likely to be made available only at the meeting. Although this is a common practice for a standard item in this market, support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting, as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended. As abstention is not a valid voting option, opposition is recommended.

Vote Cast: *Oppose*

### *6. Approve Fees Payable to the Board of Supervisors*

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. As abstention is not a valid voting option, opposition is recommended.

Vote Cast: *Oppose*

### *7. Appoint the Auditors and Allow the Board to Determine their Remuneration*

EY proposed. Non-audit fees represented 0.08% of audit fees during the year under review and 3.27% 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*

### *11. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

Vote Cast: *Oppose*

### *12. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*



#### *9. Elect Li Dongjiu - Non-Executive Director*

Not considered independent as the director was previously employed by the Company as vice president and former chief legal advisor from January 2018 to March 2021. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *10. Elect Guan Xiaohui - Supervisor*

Not considered independent as the director is considered to be connected with Fosun, a significant shareholder, and he has been non-executive director since September 2020. Therefore, opposition is recommended.

*Vote Cast: Oppose*

### **MEDIA TEK INC AGM - 10-06-2021**

#### *1. Approve Financial Statements*

At this time, the financial statements have not been made available. Although not uncommon in this market, it is considered a serious reporting omission. Opposition is recommended.

*Vote Cast: Oppose*

#### *5.1. Re-elect Ming-Kai Tsai - 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*

#### *5.3. Re-elect Cheng-Yaw Sun - 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*

#### *5.4. Re-elect Kenneth Kin - Non-Executive Director*

Non-Executive Director. Not considered independent as he was a Senior Vice President at TSMC, which is the Company's foundry partner and procures major raw materials from the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### 5.6. *Re-elect Chung-Yu Wu - 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*

#### 5.7. *Re-elect Peng-Heng Chang - Non-Executive Director*

Non-Executive Director. Not considered independent as he was a Vice President at TSMC, which is the Company's foundry partner and procures major raw materials from the Company. Additionally, he has been on the board for over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### 6. *Approve Release of Restrictions of Competitive Activities of Directors*

Approval is sought for directors to serve on the board of other companies engaged in activities within the scope of the company's business. There are concerns over the risks and potential negative impact on shareholders interest connected to directors or other officers of the Company serving for competing companies. In addition, there is insufficient description on how the Company will take measure to monitor the conflicts of interest and prevent any negative effect for the Company and ultimately its shareholders. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

### **SALESFORCE.COM INC AGM - 10-06-2021**

#### 1.a. *Elect Marc Benioff - 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: 94.3, Abstain: 0.3, Oppose/Withhold: 5.4,

#### 1.b. *Elect Craig Conway - 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: 95.8, Abstain: 0.1, Oppose/Withhold: 4.1,

#### 1.d. *Elect Alan Hassenfeld - 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: 93.4, Abstain: 0.1, Oppose/Withhold: 6.5,

#### *1.g. Elect Sanford R. Robertson - Senior Independent Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. Additionally, as the Chair of the Nomination and Governance 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: 81.8, Abstain: 0.6, Oppose/Withhold: 17.6,

#### *1.h. Elect John V. Roos - 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: 0.1, Oppose/Withhold: 2.2,

#### *1.j. Elect Maynard Webb - 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: 94.3, Abstain: 0.1, Oppose/Withhold: 5.6,

#### *2. Amend Existing Omnibus Plan*

It is proposed to amend the 2013 Equity Incentive Plan (the "2013 Plan") . The restated 2013 Plan proposes to increase the number of shares of Common Stock of the Company reserved for issuance under the 2013 Plan by an additional 31.5 million Shares. The board suggests that the continuing ability to offer equity incentive awards under the 2013 Plan is critical to the ability to attract, motivate and retain qualified personnel..

There are concerns with the Plan as the it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, maximum award limits are excessive. As a result, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.1, Abstain: 0.5, Oppose/Withhold: 7.5,

#### *3. Appoint the Auditors*

EY proposed. Non-audit fees represented 40.64% of audit fees during the year under review and 33.95% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 92.9, Abstain: 0.1, Oppose/Withhold: 7.0,

#### *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: ADC. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.7, Abstain: 0.5, Oppose/Withhold: 6.7,

## **DAVITA INC. AGM - 10-06-2021**

### *1a. Elect Pamela M. Arway - Chair (Non Executive)*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years. 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. In addition, it is noted that the director is the Chair of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.0, Abstain: 0.0, Oppose/Withhold: 4.0,

### *1b. Elect Charles G. Berg - 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: 97.0, Abstain: 0.0, Oppose/Withhold: 3.0,

### *1d. Elect Paul J. Diaz - 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, and it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 95.4, Abstain: 0.0, Oppose/Withhold: 4.6,

### *1f. Elect John M. Nehra - 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, and it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 94.8, Abstain: 0.0, Oppose/Withhold: 5.1,

## *2. Ratify KPMG LLP as Auditors*

KPMG proposed. Non-audit fees represented 64.52% of audit fees during the year under review and 41.97% 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: 94.7, Abstain: 0.1, Oppose/Withhold: 5.3,

### *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: ADB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 83.0, Abstain: 0.2, Oppose/Withhold: 16.9,

## **MELIA HOTELS INTL SA AGM - 10-06-2021**

### *2.2. Elect Maria Antonia Escarrer Jaume - Non-Executive Director*

Non-Executive Director. Not considered independent as she is the physical representative of Hoteles Mallorquines Consolidados S.A. and is a member of the controlling family shareholder. Additionally, she is the wife of Gabriel Escarrer Julia and the mother of Mr. Sebastian Escarrer Jaume and Mr. Gabriel Escarrer Jaume, CEO and Vice-Chair of the Board. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *2.3. Elect Francisco Javier Campo Garcia - 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*

### *2.5. Elect Luis Maria Diaz De Bustamante Y Terminel - 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*

### *3.1. 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*

### *3.2. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw

back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

*Vote Cast: Abstain*

## **BRENNTAG SE AGM - 10-06-2021**

### *3. Approve Discharge of Management Board for Fiscal Year 2020*

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: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,

### *4. Approve Discharge of Supervisory Board for Fiscal Year 2020*

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: 95.7, Abstain: 0.0, Oppose/Withhold: 4.3,

### *5. Ratify PricewaterhouseCoopers GmbH as Auditors for Fiscal Year 2021*

PwC proposed. Non-audit fees were not paid during the year under review and represented 7.41% of audit fees on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Oppose*

Results: For: 95.4, Abstain: 0.0, Oppose/Withhold: 4.6,

### *6. Approve Remuneration Policy for the Management Board*

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: 91.6, Abstain: 0.0, Oppose/Withhold: 8.4,

## **CAIRO MEZZ PLC AGM - 11-06-2021**

### *3. Approve Director Remuneration*

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*

#### *4. Ratify KPMG Limited as Auditors*

KPMG proposed. Non-audit fees represented 11.20% of audit fees during the year under review. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. 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*

### **KEYENCE CORP AGM - 11-06-2021**

#### *2.1. Elect Takizaki Takemitsu - Chair (Executive)*

Current Executive Chair. It is considered that it is the responsibility of the most senior Board members to ensure that there is appropriate outside oversight of Board decisions. As there is inadequate outside presence on the Board (less than three outside directors), an oppose vote on the most senior directors is recommended.

*Vote Cast: Oppose*

#### *2.5. Elect Yamamoto Hiroaki - Executive Director*

Newly-appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

*Vote Cast: Oppose*

#### *2.6. Elect Yamamoto Akinori - 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.

*Vote Cast: Oppose*

### **DELTA ELECTRONICS INC AGM - 11-06-2021**

#### *3.1. Elect Ying Chun Hai, Yancey - 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*

*3.3. Elect Bruce Cheng - Non-Executive Director*

Non-Executive Director. Not considered independent as Mr Cheng holds a significant amount of the share capital. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*3.6. Elect Victor Cheng - Non-Executive Director*

Non-Executive Director. Not considered to be independent, as the Company has not disclosed the date of first appointment and, as such, a potentially excessive tenure cannot be calculated. Additionally, not considered independent as the director has a relationship with the Company, which is considered material. Victor Cheng is President and Chairman of Delta Networks Inc. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*3.7. Elect Ji-Ren Lee - 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*

*4. Approve Release of Directors from Non-Competition Restriction*

Approval is sought for directors to serve on the board of other companies engaged in activities within the scope of the company's business. There are concerns over the risks and potential negative impact on shareholders interest connected to directors or other officers of the Company serving for competing companies. In addition, there is insufficient description on how the Company will take measure to monitor the conflicts of interest and prevent any negative effect for the Company and ultimately its shareholders. Therefore, an oppose vote is recommended.

*Vote Cast: Oppose*

**FUBON FINANCIAL HOLDING CO AGM - 11-06-2021**

*4. Approve Plan to Raise Long-term Capital*

No disclosure available related to the proposal. As such, abstention recommended.

*Vote Cast: Abstain*

*5. Approve Amendments to Rules and Procedures Regarding Shareholders' General Meeting*

No Disclosure regarding the proposed amendments. As such, abstention is recommended.



*Vote Cast: Abstain*

### **CTBC FINANCIAL HOLDING CO AGM - 11-06-2021**

#### *3. Amend Rules and Procedures Regarding Shareholder's General Meeting*

It is proposed to limit a shareholder proposal urging the Company to act in the public interest or fulfill its social responsibility to one item in General Meetings. It is also proposed that the chairperson shall call the meeting to order as scheduled and announce relevant information such as the number of non-voting rights and the number of shares present. Additionally, the results of directors and supervisors elections, including the elected directors and the votes received as well as the non-elected directors and the number of election rights obtained, shall be announced on the immediately. It is considered that the proposed amendments may have an adverse effect on shareholder rights, as the proposed amendments would limit the number of shareholder proposals related to social responsibility to one item. Therefore, it is recommended to oppose.

*Vote Cast: Oppose*

### **BLACKROCK SMALLER COMPANIES TRUST PLC AGM - 11-06-2021**

#### *8. Re-appoint PricewaterhouseCoopers LLP as Auditors of the Company*

PwC proposed. Non-audit fees represented 9.09% of audit fees during the year under review and 6.90% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. 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: 0.1, Oppose/Withhold: 6.6,**

### 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: 94.3, Abstain: 0.0, Oppose/Withhold: 5.6,

## TBC BANK GROUP PLC AGM - 14-06-2021

### 1. 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 some concerns over the Company's sustainability policies and practice. In addition to the board-level accountability, it is recommended to abstain also from voting on the annual report, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for approval.

Vote Cast: *Abstain*

Results: For: 98.1, Abstain: 1.0, Oppose/Withhold: 0.9,

### 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's salary is in the lower quartile of the comparator group. It is noted that the remuneration report on 2020 Annual General Meeting received significant opposition of 12.32% of the votes. The company did not disclosed information's how it address the issue with its shareholders.

**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. There was no variable pay for the year under review which is commendable. However, the ratio of CEO pay compared to average employee pay is considered highly excessive at 129:1. It is recommended that the CEO pay ratio to be at 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 72.5, Abstain: 4.8, Oppose/Withhold: 22.8,

### 3. Approve Remuneration Policy

**Policy Rating: ADC** Changes proposed: i) Ensure that all salary can be treated as fixed pay for the Fixed to Variable Pay Ratio introduced as part of the NBGCG Code, the requirement for continuing employment for the salary which is delivered in shares has been removed together with the malus and clawback conditions, ii) The limit on executive Director pension contributions from the Company will be reduced from up to 3% of salary to up to 2% of salary in a defined contribution plan to align with the majority of the workforce, iii) The maximum limits of annual bonus and LTIP award remain unchanged as a percentage of salary, with reference to a monetary amount removed, iv) Bonus conditions have been amended to introduce a minimum of 60% of the bonus to be determined by reference to financial KPIs. Target performance under the current Policy provides 63% of the maximum bonus award; the new Policy will set a limit of 50% of the maximum bonus award for target performance, v) At least 60% of variable remuneration will be delivered as LTIP for any year. With this context, the annual bonus will continue to be delivered in shares

and subject to a one year holding period for 50% of shares and to a two-year holding period for the remaining 50% of shares with the annual deferred bonus shares no longer be subject to a continuing employment requirement, vi) From 2022, LTIP grants will be based on an assessment of the previous year performance and subject to three-year forward-looking assessment of the LTIP performance conditions, followed by a two year vesting in line with the requirements under the NBG CG Code, vii) Where threshold performance conditions are achieved for the LTIP, vesting will be limited to 25% of the maximum in line with best practice, reduced from 47% of the maximum and, viii) Malus and clawback trigger events are extended in line with the requirements of NBG CG Code.

Total potential variable pay could reach 296% of the salary for the CEO and is considered excessive since is higher than 200%. There are no non-financial performance measures attached to the LTIP and so the focus of remuneration policy is not the operational performance of the business as a whole or the individual roles of each of the executives in achieving that performance. Instead, the focus of the remuneration policy is financial KPIs, which mainly include factors beyond an individual director's control. The policy does not prohibit dividend accrual. Such payments misalign shareholder and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. The vesting period for the LTIP is three years which is not considered sufficiently long-term, however a three-year holding period apply which is welcomed. Malus and claw back provisions apply to all variable pay.

Vote Cast: *Oppose*

Results: For: 96.2, Abstain: 0.0, Oppose/Withhold: 3.8,

### 13. *Re-appoint PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 1.03% of audit fees during the year under review and 3.99% 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: 92.1, Abstain: 0.0, Oppose/Withhold: 7.9,

### 15. *Issue Shares with Pre-emption Rights*

Authority is limited to one-third of the Company's issued share capital and will expire at the next AGM. Within acceptable limits. It is noted that the company on the 2020 AGM received significant opposition of 14.5% of the votes. The company did not disclosed how it address the issue with its shareholders. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 74.6, Abstain: 1.0, Oppose/Withhold: 24.5,

### 16. *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. It is noted that the company on the 2020 AGM received significant opposition of 14.38% of the votes. The company did not disclose how it address the issue with its shareholders. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 74.9, Abstain: 1.0, Oppose/Withhold: 24.1,

### 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. In addition, the company on the 2020 AGM received significant opposition of 15.35% of the votes. The company did not disclose how it address the issue with its shareholders. Overall opposition, is recommended.

Vote Cast: *Oppose*

Results: For: 74.6, Abstain: 0.0, Oppose/Withhold: 25.4,

### 18. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.0, Oppose/Withhold: 1.0,

## WENTWORTH RESOURCES PLC AGM - 15-06-2021

### 1. *Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, the Company failed to disclose the proportion of women in Executive Management positions. An abstain vote is recommended.

Vote Cast: *Abstain*

### 3. *Approve the Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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*

### 5. *Reappoint KPMG LLP as the Auditors*

KPMG proposed. Non-audit fees represented 7.29% of audit fees during the year under review and 4.50% 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*

#### *9. Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

### **METLIFE INC. AGM - 15-06-2021**

#### *1.b. Elect Carlos M. Gutierrez - 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: 98.9, Abstain: 0.1, Oppose/Withhold: 1.0,*

#### *1.e. Elect R. Glenn Hubbard - Chair (Non Executive)*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years. In addition, 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: 97.5, Abstain: 0.1, Oppose/Withhold: 2.4,

1.g. *Elect William E. Kennard - 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: 99.7, Abstain: 0.1, Oppose/Withhold: 0.2,

2. *Ratify Deloitte & Touche LLP as Auditors*

Deloitte proposed. Non-audit fees represented 14.19% of audit fees during the year under review and 13.53% 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: 96.9, Abstain: 0.1, Oppose/Withhold: 3.1,

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: ADC. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.2, Abstain: 0.1, Oppose/Withhold: 2.7,

**PIRELLI & CO AGM - 15-06-2021**

O.4.1. *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*

O.4.2. *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*

#### *O.5.1. Approve New Executive Share Option 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*

#### *O.5.2. Amend Existing Executive Share Option Plan*

With reference to the monetary incentive plan for the three-year cycle 2020-2022 for Pirelli's Group Management, already approved by the Shareholders' Meeting of 18 June 2020 ("2020-2022 LTI Plan"), it is proposed to approve the adjustment of the «cumulative Group Net Cash Flow (before dividends)». Moreover, it is proposed to approve the option to normalise the potential effects on the final result of the acquisition of Cooper by Goodyear (a company included in the reference panel for the TSR objective) at the start of 2021, in order to calculate its impact on the TSR. Finally, it is proposed to grant the Board of Directors with all the powers needed or opportune to implement the 2020-2022 LTI Plan (as adjusted) and perform any other adjustment or amendment of the performance indicators and relative objectives, submitting the new performance indicators and objectives to the Shareholders' Meeting if the plan has the characteristics established by art. 114-bis of TUF. The proposed amendments to the 2020-2022 LTI Plan are not able to fix the irremediable flaw of the abovementioned plan, i.e. the lack of clear performance targets. Therefore, opposition is recommended.

*Vote Cast: Oppose*

### **TOYOTA MOTOR CORP AGM - 16-06-2021**

#### *1.6. Elect Kon Kenta - Executive Director*

Executive Director. Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

*Vote Cast: Oppose*

#### *1.9. Elect Kudou Teiko - Non-Executive Director*

Not considered independent as the candidate is considered to be connected to an affiliated bank, 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*

## **XAAR PLC AGM - 16-06-2021**

### ***1. Receive the Annual Report***

Strategic report meets guidelines. Adequate employment policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organisation. 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 an abstain.

*Vote Cast: Abstain*

### ***2. Re-appoint Ernst & Young LLP as the Auditors***

EY proposed. Non-audit fees represented 10.00% of audit fees during the year under review and 11.20% 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*

### ***12. 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*

### ***13. Authorise Share Repurchase***

The authority is limited to 14.9% 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*

#### **CHIPBOND TECHNOLOGY AGM - 16-06-2021**

##### *6. Approve Issue of Shares for Private Placement*

The Board requests authority to approve an authority for the issue of shares by private placement. 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*

#### **AMADEUS IT GROUP AGM - 16-06-2021**

##### *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: 99.2, Abstain: 0.6, Oppose/Withhold: 0.2,*

##### *2. Approve Non-Financial Statements*

The non-financial statements were made available sufficiently before the meeting and include the auditor's independent verification report. However, given that the Company's Sustainability policies and practices are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be accountable for the Company's sustainability programme, an abstain vote is recommended.

The EU Non-Financial Reporting Directive stipulates that member states are required to disclose a non-financial statement containing relevant information as prescribed in the directive. Although companies are allowed to publish such statement until six months after the end of the financial year, it is considered that it should be disclosed to all shareholders in occasion of the annual general meeting.

*Vote Cast: Abstain*

*Results: For: 99.9, Abstain: 0.0, Oppose/Withhold: 0.0,*

##### *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: 98.3, Abstain: 0.8, Oppose/Withhold: 0.8,*

### 5.3. *Elect Luis Maroto Camino - Chief Executive*

Chief Executive. As neither the Chair of the Sustainability Committee nor the Board Chair is up for re-election, the Chief Executive is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 97.8, Abstain: 1.3, Oppose/Withhold: 0.9,

### 5.10. *Elect Francesco Loredan - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he has been on the Board for more than 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*

Results: For: 84.2, Abstain: 1.4, Oppose/Withhold: 14.4,

### 6. *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. There are excessiveness concerns 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. 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: 38.2, Abstain: 0.3, Oppose/Withhold: 61.5,

### 8. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy with a binding vote. Variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which may lead to overpayment against underperformance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. Nevertheless, opposition is recommended based on potential excessive variable remuneration.

Vote Cast: *Oppose*

Results: For: 88.3, Abstain: 0.2, Oppose/Withhold: 11.5,

### 9. *Approve Performance Share Plan*

The Board proposes the approval of the Performance Share Plan, which comprises three independent three-year cycles, with a new cycle commencing every year. Under the plan, the CEO and other executives will be awarded rights to shares, which will vest depending on the achievement of some performance criteria. Performance targets are not quantified, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 91.1, Abstain: 1.4, Oppose/Withhold: 7.5,

**TAIWAN MOBILE CO LTD AGM - 16-06-2021****5. Approve Release of Director from Non-Competition Restriction: Daniel M. Tsai**

Approval is sought for directors to serve on the board of other companies engaged in activities within the scope of the company's business. There are concerns over the risks and potential negative impact on shareholders interest connected to directors or other officers of the Company serving for competing companies. In addition, there is insufficient description on how the Company will take measure to monitor the conflicts of interest and prevent any negative effect for the Company and ultimately its shareholders. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

**6. Approve Release of Director from Non-Competition Restriction: Chris Tsai**

Approval is sought for directors to serve on the board of other companies engaged in activities within the scope of the company's business. There are concerns over the risks and potential negative impact on shareholders interest connected to directors or other officers of the Company serving for competing companies. In addition, there is insufficient description on how the Company will take measure to monitor the conflicts of interest and prevent any negative effect for the Company and ultimately its shareholders. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

**DYNASTY FINE WINES GROUP LTD AGM - 16-06-2021****2.A. Elect Francois Heriard-Dubreuil - 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*

**2.B. Elect Wong, Ching Chung - Non-Executive Director**

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: he has been a director of Dynasty Winery since December 1985 and served as director at Remy Cointreau S.A, a substantial shareholder of the Company. Additionally he has been on the board more than nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

**2.C. Elect Robert Luc - Non-Executive Director**

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: he has served various positions in the Remy Cointreau Group, a substantial shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### *2.D. Authorise the Board to Fix Directors' Remuneration*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

#### *3. Appoint the Auditors and Allow the Board to Determine their Remuneration*

PwC proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. 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*

#### *4. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *5. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

#### *6. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

### **FORESIGHT SOLAR FUND LIMITED AGM - 16-06-2021**

#### *8. Re-elect Peter Dicks - Non-Executive Director*

Non-Executive Director. The director is not considered independent as he has a relationship with the Company, which is considered material. Although this director acted as a director of Foresight VCT Plc and resigned as its director on 25 May 2018, he is still considered to be non-independent as the cool-off period has not

elapsed. There are concerns over the director's potential aggregate time commitments, however, it is noted the director has attended all the board and committee meetings he was eligible to attend during the year under review. The director is also a member of the audit, remuneration and management engagement committees which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.0, Oppose/Withhold: 2.0,

#### 10. *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: 98.4, Abstain: 0.0, Oppose/Withhold: 1.6,

#### 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: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

## INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA AGM - 16-06-2021

### 2. Approve Non-Financial Statements

Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organization. However, On 12 January 2021, more than 16,000 people were reported as planning action against the British Airways, in what lawyers describe as Britain's biggest group action personal data claim. British Airways, part of International Consolidated Airlines Group, is facing a potential £800 million lawsuit over a 2018 data breach which exposed more than 400,000 customer details. Since there is no reference to the data breach in the non-financial documents of the company, and no reference of how will address the issue, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 99.5, Abstain: 0.4, Oppose/Withhold: 0.1,

### 3. Discharge the Board

Standard proposal. However, as the company has not disclosed information on the potential reputational or financial damages that it may faces from the data breach on the British Airway's system in 2018, the Board is considered accountable for the issue. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 99.2, Abstain: 0.5, Oppose/Withhold: 0.3,

### 7. Approve Remuneration Policy

**Policy Rating: BDB** Changes proposed: i) Replacement of the existing Performance Share Plan (PSP) with a Restricted Share Plan (RSP), ii) Upon appointment, the pension contributions for the new CEO and CFO of IAG were revised down to 12.5% of salary, comparable to the rate applicable to the majority of the UK workforce, iii) Introduction of a post-cessation shareholding requirement for executive directors, in line with best practice, iv) Extend the malus and clawback trigger events to include payments based on erroneous or misleading data, serious reputational damage and corporate failure to align with guidance, v) Additional wording to align to the Corporate Governance Code and allow discretion to adjust formulaic outcomes to reflect corporate performance and vi) Additional wording to address windfall gains that may occur for long-term incentives.

Some of the changes proposed are welcomed such as the alignment of the Executives pension contribution with the workforce, the reduction of the maximum opportunity from 400% and 340% of the salary for the CEO and CFO to 300% of the salary for both executives, and the non-financial underpin on the new restricted share plan. However, concerns are remain since the potential maximum variable pay is still considered excessive since is higher than 200% of the salary. The vesting period for the restricted share plan is three years which is not considered sufficiently long-term, although a two year holding period apply which is welcomed. Dividend accrual is not prohibited. 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 for all variable pay. In accordance with the policy of the Company the CEO is required to build up a shareholding of 350% of the salary, for the other executives the percentage is 200% of the salary.

Vote Cast: *Oppose*

Results: For: 93.5, Abstain: 0.7, Oppose/Withhold: 5.8,

### 8. Approve Executive Share Plan

It is proposed to approve the the new share-based remuneration plan of International Consolidated Airlines Group, S.A. (the Company or IAG) for the executive directors and employees of the Company. Eligible to participate are e executive directors and employees of the Company and of the other companies of the IAG Group. Under the Executive Share Plan participants can be granted a right to receive shares in the Company in the future subject to them remaining in employment. The right (referred to as an "award") can take the form of rights to free shares or options to acquire shares at an exercise price set at the time of grant (which may be zero). The plan will have a duration of 10 years. Awards (other than BDA awards) to executive directors will be in the form of restricted shares so that vesting will normally be subject to

continued employment and the satisfaction of one or more underpins determined by the Board normally over a period of three financial years starting with the year in which the award is made. Awards to employees may be in the form of restricted shares or the receipt of shares may be subject to the satisfaction of a performance condition tested over at least three financial years of the Company. Awards will only vest if and to the extent that any underpin or if relevant any performance condition is met. However, notwithstanding the extent to which any underpin or performance condition is met, the Board may apply a discretionary downward adjustment to the vesting of an award if it considers it appropriate to do so, including to lapse an award in full. To the extent the award vests, shares will be issued or transferred to the participant or, in the case of an option, the participant may exercise the option for a period of up to 10 years from the date of grant. Awards can be granted on the basis that some or all of the shares in respect of which it vests must be held for a further period. In the case of executive directors, awards will normally be subject to a holding period of 5 years from grant.

Plans to increase employee shareholding are considered to be a positive governance practice, as they can contribute to alignment between employees and shareholders. On the other hand, executives are also among the beneficiaries: it is considered that support should not be given to stock or share option plans that do not lay out clear performance criteria, targets and conditions. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.5, Abstain: 0.6, Oppose/Withhold: 5.9,

#### *9. Approve Allotment of Shares of the Company for Share Awards Including the Awards to Executive Directors under the Executive Share Plan*

It is proposed to authorize the allotment of ordinary shares of the Company to the service of the Executive Share Plan proposed at this meeting. The issuance is for 100,000,000 shares for the financial years 2021,2022,2023 and 2024 and the percentage is no more than 5% of the share capital. However, opposition is recommended based on the concerns identified on the proposed Executive Share Plan

Vote Cast: *Oppose*

Results: For: 94.4, Abstain: 0.0, Oppose/Withhold: 5.6,

#### *15. Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 0.2, Oppose/Withhold: 2.1,

### **MEDICA GROUP PLC AGM - 16-06-2021**

#### *3. Approve Remuneration Policy*

##### **Policy rating : ADB**

Total variable pay is capped at 275% of the salary (Annual bonus: 125% and PSP at 150% ) which is deemed excessive as is higher than the recommended limit of 200%. 25% of the Bonus is deferred to shares under the deferred Bonus plan, it would be preferable 50% of the Bonus to deferred to shares. Performance Share Plan (PSP) performance measures are EPS growth(50%) and absolute TSR (50%). The absence of Non-financial parameters to assess Executives' long-term performance is considered contrary to best practice as such factors are generally beyond an individual director's control. Non-financial parameters allow the remuneration policy to focus on the operational performance of the business as a whole and the individual roles of each of the senior executives in achieving that performance. The performance period is three years which is not considered sufficiently long-term. However, executives are required to hold their vested shares for two years, which is welcomed. Malus and claw back provisions apply to all variable pay.

Vote Cast: *Oppose*

Results: For: 96.2, Abstain: 0.0, Oppose/Withhold: 3.8,

#### 5. *Appoint the Auditors*

Grant Thornton UK LLP proposed. Non-audit fees represented 3.03% of audit fees during the year under review and 14.43% 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: 99.7, Abstain: 0.3, Oppose/Withhold: 0.0,

#### 14. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 92.4, Abstain: 0.0, Oppose/Withhold: 7.6,

#### 15. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

### **LIANHUA SUPERMARKET HOLDINGS AGM - 17-06-2021**

#### 5. *Appoint the Auditors and Allow the Board to Determine their Remuneration*

Deloitte proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. 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*

### **PT ASTRA INTERNATIONAL TBK EGM - 17-06-2021**

#### 1. *Elect Bambang Permadi Soemantri - Commissioner and Determine Honorarium and/or Allowance for Board Commissioners*

Newly-appointed Independent Commissioner. However, 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*

## **IBERDROLA SA AGM - 17-06-2021**

### *16. 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: 89.2, Abstain: 2.5, Oppose/Withhold: 8.2,*

### *20. Elect Juan Manuel González Serna - Senior Independent Director*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material: he was director of Iberdrola Renovables in 2013. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*Results: For: 84.4, Abstain: 0.6, Oppose/Withhold: 15.0,*

### *22. Elect Angel Jesus Acebes Paniagua - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years as he was previously non-independent director of the Board from 2012 to 2019. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*Results: For: 97.7, Abstain: 1.0, Oppose/Withhold: 1.3,*

### *26. 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: 81.8, Abstain: 1.9, Oppose/Withhold: 16.3,*

## TOTAL PRODUCE PLC EGM - 17-06-2021

### *5. Approve Option Cash Settlement Facility*

The board seek to approve the Option Cash Settlement Facility for the purpose of Section 238 Companies Act 2014, so that it may apply to all Total Produce Options. All Total Produce Options which are outstanding after the Latest Exercise Date will be cash settled. The board states that shareholders has to be aware that certain directors of Total Produce will have interests in the proposed Transaction that may be different from, or in addition to, the interests of Total Produce Shareholders generally.

The proposed cash settlement facility is connected to the scheme of arrangement. However, Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

*Vote Cast: Oppose*

## SIME DARBY PLANTATION AGM - 17-06-2021

### *3. Approve Directors' Benefits Payable to the Non-Executive Directors from 18 June 2021 until the next AGM of the Company to be held in 2022*

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*

### *4. Elect Tan Sri Dato Seri Haji Megat Najmuddin Datuk Seri Dr Haji Megat Khas*

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*

### *7. Elect Datuk Zaiton Mohd Hassan - Senior Independent Director*

Non-Executive Director, Chair of the Audit Committee. Not considered to be independent, as this director is considered to be in a material connection with the current auditor: PwC. It is considered that audit committees should be comprised exclusively of independent members, including the chair.

*Vote Cast: Oppose*

### *8. Elect Dato Mohd Nizam Zainordin - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has been employed in Permodalan Nasional Berhad, a significant shareholder, for over 25 years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

*9. Elect Dato Henry Sackville Barlow - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was the Chairman of New Britain Palm Oil Limited, a subsidiary of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

*10. Appoint the Auditors and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 35.12% of audit fees during the year under review and 42.55% on a three-year aggregate basis. This level of non-audit fees raises some 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*

*6. Elect Datuk Mohd Anwar Yahya - 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 auditor: PwC. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

**JIANGSU EXPRESSWAY COMPANY AGM - 17-06-2021**

*8. Issue Debt Securities*

On 26 March 2021, the Board announced that it has resolved to submit to the AGM to consider and approve by way of ordinary resolution the registration and issuance of the UST Notes not exceeding RMB8 billion during the two-year period commencing from the date of approval at the AGM and the registration effective period on a rolling basis. The UST Notes are not convertible into Company's shares. Target subscribers are investors in compliance with the requirements of relevant laws and regulations. The UST Notes shall not be placed to the existing shareholders on a preferential basis. Actual interest rate is to be determined by any executive Director of the Company, with reference to the market conditions including but not limited to: the prevailing market rate(s) for similar financing instruments with similar term, credit rating and principal of the UST Notes, reference rate(s) from the People's Bank of China, at the time of issue. The specific type of guarantee (if necessary) is to be determined by any executive Director of the Company, with reference to the market conditions at the time of issue and approved within his authority. The validity period is two years commencing from the date on which the resolution is approved at the AGM and within the registration effective period of the UST Notes. The board seeks authority to issue convertible bonds and to exclude subscription rights for a nominal amount corresponding to more than 10% of the share capital. The amount under this authority exceeds guidelines for issues of notes without pre-emptive rights.

Vote Cast: *Oppose*

### *9. Issue Debt Securities*

On 26 March 2021, the Board announced that it has resolved to submit to the AGM to consider and approve by way of ordinary resolution the registration and issuance of MT Notes not exceeding RMB9 billion during the two years period commencing from the date of approval at the AGM and the registration effective period on a lump sum or by installments. The MT Notes are not convertible into Company's shares. The maximum issue size of the MT Notes to be issued shall not exceed RMB9 billion in aggregate during the two years period commencing from the date of approval at the AGM and the registration effective period on a lump sum or by installments. Target subscribers are investors in compliance with the requirements of relevant laws and regulations. The MT Notes shall not be placed to the existing shareholders on a preferential basis. Actual interest rate is to be determined by any executive Director of the Company, with reference to the market conditions including but not limited to: the prevailing market rate(s) for similar financing instruments with similar term, credit rating and principal of the MT Notes, reference rate(s) from the People's Bank of China, at the time of issue. The board seeks authority to issue convertible bonds and to exclude subscription rights for a nominal amount corresponding to more than 10% of the share capital. The amount under this authority exceeds guidelines for issues of notes without pre-emptive rights.

*Vote Cast: Oppose*

### *12. 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*

#### *13.1. Elect Sun Xibin*

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*

#### *13.4. Elect Chen Yanli - Non-Executive Director*

Non-Executive Director.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

*Vote Cast: Oppose*

#### *13.5. Elect Wang Yingjian - Non-Executive Director*

Non-Executive Director. Not considered independent as he currently serves as the director of the Science and Technology Information Department and director of the Digital Economic Development Office of Jiangsu Communications Holding Company Limited, the parent company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *13.6. Elect Wu Xinhua - Non-Executive Director*

Non-Executive Director.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

*Vote Cast: Oppose*

#### *13.7. Elect Ma Chung Lai - 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*

#### *13.8. Elect Li Xiaoyan - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: China Merchants Expressway Network & Technology Holdings Co., Ltd.. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *14.1. Elect Lin Hui - Non-Executive Director*

Independent Non-Executive Director.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

*Vote Cast: Oppose*

#### *14.2. Elect Zhou Shudong - Non-Executive Director*

Independent Non-Executive Director.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

*Vote Cast: Oppose*

#### *15.1. Elect Yang Shiwei as Supervisor*

It has been proposed to elect Yang Shiwei as supervisor. Mr. Yang is currently the minister of Department of Audit Risk Control and Director of Audit Centre of Jiangsu Communications Holding Company Limited, the parent company. He is not considered independent.

*Vote Cast: Oppose*

#### *15.2. Elect Ding Guozhen as Supervisor*

It has been proposed to elect Ding Guozhen as supervisor. Not considered independent as he is currently serving as the head of the Corporate Management and Legal Affairs Department of Jiangsu Communications Holding Company Limited, the parent company. Opposition is recommended.

*Vote Cast: Oppose*

### **NTT DATA CORP AGM - 17-06-2021**

#### *3. Election of Audit and Supervisory Committee Members: Okada Akihiko*

Not considered independent as the candidate candidate is considered to be connected to a major shareholder.

*Vote Cast: Oppose*

#### *4. Issuance of Performance Related Stock-Based Compensation to Corporate Directors*

The board is seeking authority to issue performance related stock subscription rights under its share plan. The plan is limited to directors who are not audit and supervisory committee members, but does not appear to be limited to only executives. Opposition is recommended.

*Vote Cast: Oppose*

### **BIZLINK HOLDING INC AGM - 17-06-2021**

#### *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. Approve the Dividend*

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. Amendment to the "Procedures for the Acquisition or Disposal of Assets"*

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. Amendment to the Company's "Regulations Governing Loaning of Funds"*

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. Amendment to the Company's "Regulations Governing Making of Endorsements Guarantees"*

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. Amendment to the Company's "Rules of Procedure for Shareholders' Meetings"*

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. Issuance of new common shares for cash and/or issue new common shares for cash to sponsor the GDRs Offering*

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*

*8.1. Elect Hwa Tse Liang, with Shareholder No. 1, as Non-independent 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*

*8.2. Elect Inru Kuo, with Shareholder No. 2, as Non-independent 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*

*8.3. Elect Chien Hua Teng, with Shareholder No. 3, as Non-independent 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*

*8.4. Elect Yann Chiu Wang, with Shareholder No. 22, as Non-independent 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*

*8.5. Elect Jr Wen Huang, with Shareholder No. Q120419XXX, as Independent 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*

*8.6. Elect Chin The Hsu, with Shareholder No. C120307XXX, as Independent 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*

*8.7. Elect Chia Jiun Cherng, with Shareholder No. Q100695XXX, as Independent 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*

*15. Approve Release of Directors from Non-Competition Restriction*

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*

**EVERLIGHT ELECTRONICS CO LTD AGM - 17-06-2021**

*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. Approve the Dividend*

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. Amend "Rules of Procedure of Shareholders' Meeting" of the Company.*

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. Amend "Rules for Election of Directors" of the Company.*

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*

### *5.1. Elect Yin-Fu Yeh*

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*

### *5.2. Elect Bo-Wen Zhou*

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*

### *5.3. Elect Bang-Yan Liu*

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*

### *5.4. Elect Ting-Wei Yeh*

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*

### *5.5. Elect Wu-Liu Tsai*

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*

#### 5.6. *Elect Chen-En Ko*

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*

#### 5.7. *Elect Johnsee 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*

#### 5.8. *Elect Rong-Chun Lin*

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*

#### 5.9. *Elect Chen, Liang-Gee*

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. *Approve Release of Directors from Non-Competition Restriction*

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*

### **WHITBREAD PLC AGM - 17-06-2021**

#### 9. *Re-elect Adam Crozier - Chair*

Chair. Independent upon appointment. It is noted that in the 2020 AGM Mr. Crozier received significant opposition in his re-election of 10.15%. The company did not disclosed how it address the issue with it shareholders. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 83.5, Abstain: 2.3, Oppose/Withhold: 14.2,

#### 14. *Re-appoint Deloitte LLP as Auditors*

Deloitte proposed. Non-audit fees represented 73.33% of audit fees during the year under review and 70.59% 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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.6, Abstain: 0.5, Oppose/Withhold: 3.9,

#### *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: 92.2, Abstain: 0.7, Oppose/Withhold: 7.1,

#### *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: 97.6, Abstain: 0.5, Oppose/Withhold: 1.8,

### **CERES POWER HOLDINGS PLC AGM - 17-06-2021**

#### *1. Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, the Company failed to disclose the proportion of women in Executive Management positions. An abstain vote is recommended.

Vote Cast: *Abstain*

#### *3. Elect William Tudor Brown - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on insufficient information. Although there is sufficient independence on the Board, it is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. On this basis, abstention is recommended.

Vote Cast: *Abstain*

#### *7. Issue Shares with Pre-emption Rights*

The authority is limited to one third of the Company's issued share capital. This cap can increase to two-third of the issued share capital if shares are issued in connection with an offer by way of a rights issue. This authority expires at the next AGM. Not all directors are standing for annual re-election and there is no commitment from all the directors to stand for re-election in case this additional authority is used. In the absence of such commitment, an abstain vote is recommended.

Vote Cast: *Abstain*

### 9. 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*

## PETROFAC LTD AGM - 17-06-2021

### 1. Receive the Annual Report

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 50.0, Abstain: 50.0, Oppose/Withhold: 0.0,

### 2. Approve the Remuneration Report

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary decrease by -5.7% for the year under review when the workforce salary decrease by -3.2%, the CEO salary is in line with the workforce. The CEO salary is in the lower quartile of PIRC's comparator group

**Balance:**The balance of the CEO's pay with financial performance is not considered acceptable as the change in CEO's total pay over five years is not commensurate with the change in TSR over the same period. The total realized pay for the CEO in the year under review is considered acceptable at 9.5% of salary. It is noted that no Annual Bonus was paid for the year under review which is commendable. The CEO's ratio of pay compared to that of the average employee is considered acceptable at 12:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 30.5, Abstain: 50.0, Oppose/Withhold: 19.5,

### 4. Re-elect René Médori - Chair (Non Executive)

Chair. The Chair is not considered to be independent owing to a tenure of over nine years on the Board. In addition, it is a generally accepted norm of good practice that a Chair of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Being a non-independent Chair is considered to be incompatible with this. Oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 48.9, Abstain: 50.0, Oppose/Withhold: 1.1,

### 12. Re-elect Alastair Cochran - Executive Director

Chief Financial Officer and Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's

sustainability programme, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 49.8, Abstain: 50.0, Oppose/Withhold: 0.2,*

### *13. Ratify Ernst & Young LLP as Auditors*

EY proposed. Non-audit fees represented 3.30% of audit fees during the year under review and 21.32% 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: 49.8, Abstain: 50.0, Oppose/Withhold: 0.2,*

### *15. Approve Deferred Bonus Plan (DBP) 2021*

It is proposed to approve the Deferred Bonus Plan of the company. Eligible to participate are any employee of the Company and its subsidiaries (the Group), including any Executive Directors. Awards can be granted in connection with the recruitment of an employee, including any Executive Directors. Executive Directors' participation in the DBP 2021 will also be subject to the terms of the Company's approved policy on Directors' remuneration in force from time to time. The Committee will make grants in the form of conditional share awards. A participant will be eligible to be granted awards over ordinary shares with a maximum market value of 100% of his or her basic annual salary at the date of grant. Vesting of awards is subject to any restrictions imposed by the Company's share dealing code, the Listing Rules, the Market Abuse Regulation or any other laws or regulations that impose restrictions on share dealing. Provided the participant is still employed within the Group, each tranche of an award will vest on the date determined by the Committee at the date of grant. This will usually be 33.3% vesting each year on the 12-month anniversary of the date of grant. The proposed plan is open to all employees at the discretion of the compensation committee. Additionally while the deferral period for Bonuses is welcomed, awards can be granted under the plan in connection with the recruitment of an employee including an executive director. As recruitments awards are not considered best practice an abstention vote is recommended.

*Vote Cast: Abstain*

*Results: For: 49.9, Abstain: 50.0, Oppose/Withhold: 0.1,*

### 16. *Approve Share Option Plan (SOP) 2021*

It is proposed to approve the Share Option Plan of the company. Eligible to participate are any employee of the Company and its subsidiaries (the Group), including any Executive Directors. Participants will be granted Options to acquire shares. Options will normally have an exercise price per share equal to the market value (as determined by the Committee) of a share at the date of grant. Whilst it is not the Committee's current intention to do so, Options may be granted subject to the satisfaction of performance conditions which the Committee may determine if it is considered appropriate. No participant may be granted an Option that would, at the time of grant, cause the total value of Options granted per financial year to that participant, to exceed 400% of their base salary. Options will be exercisable from the normal vesting date until the tenth anniversary of the grant date. Provided the participant is still employed, each tranche of an Option will vest on the date determined by the Committee at the date of grant. This will usually be 33.3% vesting each year on the 12-month anniversary of the date of grant. The Committee can apply a holding period to an Option, which would usually be a period of two years from normal vesting date. 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 maximum award that executives can receive is also 400% of the salary which is excessive. It is considered that support should not be given to stock or share option plans that do not lay out clear performance criteria, targets and conditions. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 49.5, Abstain: 50.0, Oppose/Withhold: 0.5,

### 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: 49.8, Abstain: 50.0, Oppose/Withhold: 0.2,

### 20. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 49.9, Abstain: 50.0, Oppose/Withhold: 0.1,

## **GCL-POLY ENERGY HLDG LTD EGM - 18-06-2021**

### 1. *Approve Three Gorges Second Phase Share Purchase Agreements in Relation to the Three Gorges Second Phase Disposals and Related Transactions*

The board seek to approve the series of four share purchase agreements dated 1 April 2021, entered into between Xian GCL New Energy Management Co., Ltd, GCL New Energy Investment Co., Ltd and Three Gorges Asset Management Co., Ltd in relation to sale and purchase of: (i) the entire equity interest in each of Yulin Longyuan Solar Power Company Limited and Yulin City Yushen Industrial Zone Dongtuo Energy Co., Ltd; (ii) 98.4% equity interest in Jingbian GCL Photovoltaic Energy Co., Ltd and (iii) 80.35% equity interest in Hengshan Jinghe Solar Energy Co., Ltd.

The aggregate Consideration under the Third Phase Share Purchase Agreements is RMB 1,250,207,400. The cash flow position of each of the Target Companies as at the Reference Date. The aggregate net cash inflow of the Target Companies for the year ended 31 December 2020 amounted to approximately RMB 5,988,000. The

Purchaser shall pay 50% of the Consideration amounted to RM B625,103,700 to the Seller within five days after the fulfilment of signing and execution of the Second Phase Share Purchase Agreements and obtaining the written consent from the existing shareholders.

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*

## *2. Approve Weining Third Phase Share Purchase Agreements in Relation to the Weining Third Phase Disposals and Related Transactions*

The board seek to approve Third Phase Share Purchase Agreements in Relation to the Weining Third Phase Disposals and Related Transactions. On 30 April 2021, Guzhou GCL New Energy and Suzhou GCL New Energy, being indirect subsidiaries of the Company and GNE, and Guangdong Jinyuan New Energy Co., Ltd and State Power Investment Corporation Guizhou Jinyuan Weining Energy Co., Ltd entered into the Third Phase Share Purchase Agreements. Pursuant to the Third Phase Share Purchase Agreements, the respective Seller agreed to: (i) sell 88.37% equity interest in Hainan Yicheng, (ii) 90.10% equity interest in Yingde GCL and (iii) the entire equity interest in each of Ceheng GCL Photovoltaic and Liuzhi GCL to the respective Purchaser.

The aggregate Consideration under the Third Phase Share Purchase Agreements is RMB 310,210,800. Purchasers agreed to allocate a lower consideration to Liuzhi GCL Share Purchase Agreement of RMB 29,060,000, which is lower than the net asset value of Liuzhi GCL as at 31 December 2020 of approximately RMB 44,741,000. Within 90 Business Days following the Closing Date, the Purchasers shall complete the replacement of guarantees of the Target Companies or take other measures to release the respective Seller or their respective affiliates from the existing guarantees (if any). As at 31 March 2021, the Group provided a total guarantee of RMB 2,601,000,000 to banks and financial institutions in respect of banking facilities and financing arrangements related to the Target Companies.

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*

## **TAIYO NIPPON SANSO CORP AGM - 18-06-2021**

### *2. Amendment of Article of Association*

The Convener and Chairperson of the Board of Directors provided in the Article 26 of the current Articles of Incorporation will be changed to the Director predesignated by the Board of Directors, in order to allow for flexible action in operating the Board of Directors meetings. Serious concerns have been found in this amendment as the company will remove the role of the Chairperson. Opposition is recommended.

*Vote Cast: Oppose*

#### *4.1. Elect Tai Junzou as Statutory Auditor*

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. Elect Hashimoto Hiroaki as Statutory Auditor](#)

Not considered independent as the candidate is considered to be connected to an affiliated bank, 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*

### **EISAI CO LTD AGM - 18-06-2021**

#### [1.6. Elect Murata Ryuichi - Non-Executive Director](#)

Non-Executive Director, not considered to be independent. Not considered independent as the candidate is considered to be connected to an affiliated bank. Overall Board independence is above 50%, providing a majority and sufficient quorum, and therefore the election of a further non-independent outsider is not supported.

Vote Cast: *Oppose*

### **HTC CORPORATION AGM - 18-06-2021**

#### [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. Approve the Dividend](#)

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. Amendment of the "Procedures for the Acquisition or Disposal of Assets" of the Company](#)

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. Amendment to the "Rules of Procedure for Shareholders Meetings" of the Company](#)

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. Amendment to the "Bylaws for the Election of Directors" of the Company](#)

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*

## **FORMOSA CHEMICAL & FIBER AGM - 18-06-2021**

### *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. Approve the Dividend*

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. Amend the Company's "Rules for Election 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*

### *4. Amend the Company's "Rules of Procedure for Shareholders' Meeting"*

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*

### *5.1. Elect Wen Yuan, Wong*

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*

### *5.2. Elect Fu Yuan, Hong*

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*

### *5.3. Elect Wilfred Wang*

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*

#### 5.4. *Elect Ruey Yu, Wang*

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*

#### 5.5. *Elect Walter Wang*

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*

#### 5.6. *Elect Wen Chin, Lu*

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*

#### 5.7. *Elect Ing Dar, Fang*

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*

#### 5.8. *Elect Ching Fen, 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*

#### 5.9. *Elect Tsung Yuan, Chang*

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*

#### 5.10. *Elect Wei Keng, Chien*

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*

#### 5.11. *Elect Chun Hsiung, Su*

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*

#### *5.12. Elect Horng Ming, Juang*

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*

#### *5.13. Elect Ruey Long, Chen*

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*

#### *5.14. Elect Hwei Chen, Huang*

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*

#### *5.15. Elect Tai Lang, Chien*

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. Approve Release of Directors from Non-Competition Restriction*

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*

### **ICG ENTERPRISE TRUST AGM - 21-06-2021**

#### *8. 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.

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: 96.8, Abstain: 0.3, Oppose/Withhold: 2.9,

### 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: 99.3, Abstain: 0.2, Oppose/Withhold: 0.6,

## COCA-COLA HBC AG AGM - 22-06-2021

### 4.1.1. *Re-elect Anastassis G. David - Chair (Non Executive)*

Chair. Not independent upon appointment as he is a representative of Kar-Tess Holding SA, a significant shareholder of the Company (23 % of the share capital). It is a generally accepted norm of good practice that a Chair of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Being a non-independent Chair is considered to be incompatible with this. Oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 90.9, Abstain: 0.7, Oppose/Withhold: 8.4,

### 4.1.6. *Re-elect William W. Douglas III - Non-Executive Director*

Non-Executive Director and Chair of the Audit Committee. Not considered independent as he has served in executive roles at various Coca-Cola companies. It is considered that the Audit Committee should consist of solely independent directors. Regardless to the independent representation of the whole Board, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.0, Oppose/Withhold: 1.5,

### 4.1.7. *Re-elect Anastasios I. Leventis - Non-Executive Director*

Non-Executive Director. Not considered independent as he is a representative of Kar-Tess Holding which owns 23 % of the Company's issued share capital. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.7, Abstain: 0.0, Oppose/Withhold: 3.3,

#### 4.1.8. *Re-elect Christo Leventis - Non-Executive Director*

Non-Executive Director. Not considered independent as he is a representative of Kar-Tess Holding which owns 23 % of the Company's issued share capital. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.0, Abstain: 0.0, Oppose/Withhold: 2.9,

#### 4.1.10. *Re-elect Robert Ryan Rudolph - Non-Executive Director*

Non-Executive Director. Not considered independent as he is a representative of Kar-Tess Holding which owns 23 % of the Company's issued share capital. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.0, Abstain: 0.0, Oppose/Withhold: 3.0,

#### 4.2. *Elect Bruno Pietracci - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is serving as President of the Africa Operating Unit of The Cola-Cola Company a significant shareholder. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.0, Abstain: 0.0, Oppose/Withhold: 3.0,

#### 4.3. *Elect Henrique Braun - Non-Executive Director*

Non-Executive Director. Not considered independent as the director serves as President of the Latin America Operating Unit of The Coca-Cola Company a significant shareholder. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.0, Abstain: 0.0, Oppose/Withhold: 2.9,

#### 6.1. *Appoint the Auditors*

PwC proposed. Non-audit fees were not paid during the year under review and represented 0.73% of audit fees on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm

that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.0, Oppose/Withhold: 1.6,

#### 6.2. *Re-appoint the Independent Registered Public Accounting Firm for UK purposes*

PwC SA, an affiliate of PwC AG is proposed as the independent registered public accounting firm of Coca-Cola HBC AG for the purposes of reporting under the Disclosure and Transparency Rules and the Listing Rules of the UK's Financial Conduct Authority. This is an advisory vote. Due to concerns over, the tenure length of PwC AG, as explained under resolution 6.1, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.0, Oppose/Withhold: 1.7,

#### 7. *Advisory vote on the UK Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The change in the CEO salary for the year under review was 1.7% were the change in the Swiss workforce was 1%. However, as the company disclose in the Annual Report the base salary for the Chief Executive Officer has not been increased between 2019 and 2020. The CEO salary is in the median of the competitor group.

**Balance:** Changes in the former CEO's pay in the last five years are not considered to be in line with changes in TSR during the same period. Over the five- year period average annual increase in CEO pay has been approximately 88.37% whereas, on average, TSR has increased by 15.13%. The CEO variable pay is 195.9 of the salary (51.5% Annual Bonus and 144.4% PSP) and is not considered excessive. The ratio of CEO pay compared to average employee pay is not acceptable, standing at 75:1. PIRC consider appropriate a ratio of 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 72.1, Abstain: 0.0, Oppose/Withhold: 27.9,

#### 8. *Advisory vote on the Remuneration Policy*

**Policy Rating: BDC** Total potential variable pay could reach 470% of the salary for the CEO and is considered excessive since is higher than 200%. The MIP (Management Incentive Plan) is paid 50% in cash and 50% is defer to shares for three years which is in line with best practice. The Performance Share Plan (PSP) has financial and non-financial KPI's as performance measures which is welcomed. The vesting period is three years which is not considered sufficiently long-term, however, a two year holding period apply which is welcomed. Concerns are raised since Dividend accrual is not prohibited. 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. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. Malus and clawback provisions apply to all variable pay.

Vote Cast: *Oppose*

Results: For: 95.5, Abstain: 0.0, Oppose/Withhold: 4.5,

#### 10.2. *Approval of the maximum aggregate amount of remuneration for the Operating Committee*

The Board of Directors propose a maximum aggregate amount of compensation for members of the operating committee/executive directors in the amount of EUR 36

million. Pay policies are explained in terms of the Company's objectives. Short term and long-term variable incentives are utilized and are performance based. Total target payments for the MIP amount to 51.5% of total salaries and total target payments for the PSP amount to 144.4% of salary. This is not considered excessive. However, payout under these schemes at maximum level will be considered excessive. Due to recommended opposition to the Company's Remuneration policy, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 99.2, Abstain: 0.1, Oppose/Withhold: 0.7,

#### 11. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.0, Oppose/Withhold: 2.0,

### **NAN YA PLASTICS CORP AGM - 22-06-2021**

#### 1. *Approve Financial Statements*

At this time, the financial statements have not been made available. Although not uncommon in this market, it is considered a serious reporting omission. Opposition is recommended.

Vote Cast: *Oppose*

#### 2. *Approve the Dividend*

It is proposed dividend of TWD 2.4 per share. Although the dividend appears to be covered by earnings or disposable reserves, the financial statements for the year under review have not been disclosed at this time, making an informed assessment impossible. Abstention is recommended.

Vote Cast: *Abstain*

#### 5. *Approve Release of Restrictions of Competitive Activities of Directors*

Approval is sought for directors to serve on the board of other companies engaged in activities within the scope of the company's business. There are concerns over the risks and potential negative impact on shareholders interest connected to directors or other officers of the Company serving for competing companies. In addition, there is insufficient description on how the Company will take measure to monitor the conflicts of interest and prevent any negative effect for the Company and ultimately its shareholders. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

**MASTERCARD INCORPORATED AGM - 22-06-2021****1a. *Elect Ajay Banga - 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 and holding an executive position is incompatible with this. In addition, 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 the concerns over the Company's sustainability policies and practice and independence concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.1, Oppose/Withhold: 1.2,

**1d. *Elect Steven J. Freiberg - Non-Executive Director***

Non-Executive Director. Not considered independent as he has served on the former U.S. region board of MasterCard prior to its IPO (January 2001 to May 2006; Chairman from 2004 until May 2006) and has served for a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is the Chair of the Audit committee and a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 95.7, Abstain: 0.1, Oppose/Withhold: 4.2,

**1g. *Elect Oki Matsumoto - 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: 98.1, Abstain: 0.2, Oppose/Withhold: 1.8,

**1j. *Elect Rima Qureshi - Non-Executive Director***

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Audit committee which should comprise wholly of independent directors. There are also concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.1, Oppose/Withhold: 0.8,

**1k. *Elect José Octavio Reyes Lagunes - Non-Executive Director***

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.1, Oppose/Withhold: 2.8,



#### *1m. Elect Jackson P. Tai - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is a member 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: 97.5, Abstain: 0.1, Oppose/Withhold: 2.4,

#### *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: ADA. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 75.2, Abstain: 0.3, Oppose/Withhold: 24.5,

#### *3. Ratify PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 1.30% of audit fees during the year under review and 4.93% 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: 95.6, Abstain: 0.2, Oppose/Withhold: 4.2,

#### *4. Amend Existing Omnibus Plan*

It is proposed to amend the 2006 Long Term Incentive Plan. The Board are proposing for a decrease in the number of shares of Class A common stock available for issuance and to extend the term of the plan until the 10th anniversary of the date of original stockholder approval. For full details on the amendments, see page 104 of the 2021 Proxy Statement.

There are concerns with the Plan as the it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, maximum award limits are excessive. As a result, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 0.2, Oppose/Withhold: 2.9,

### **VIVENDI SE AGM - 22-06-2021**

#### *O.1. Approve Financial Statements and Statutory Reports*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.8, Abstain: 0.1, Oppose/Withhold: 0.1,

#### *O.2. Approve Consolidated Financial Statements and Statutory Reports*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.8, Abstain: 0.1, Oppose/Withhold: 0.1,

#### *O.7. 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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 62.7, Abstain: 2.4, Oppose/Withhold: 34.9,

#### *O.9. Approve Compensation of Arnaud de Puyfontaine, Chairman of the Management Board*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 62.6, Abstain: 2.6, Oppose/Withhold: 34.8,

#### *O.10. Approve Compensation of Gilles Alix, Management Board Member*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 61.3, Abstain: 2.6, Oppose/Withhold: 36.1,

#### *O.11. Approve Compensation of Cedric de Baillencourt, Management Board Member*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 63.9, Abstain: 2.6, Oppose/Withhold: 33.5,

#### *O.12. Approve Compensation of Frederic Crepin, Management Board Member*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 61.3, Abstain: 2.6, Oppose/Withhold: 36.1,

#### *O.13. Approve Compensation of Simon Gillham, Management Board Member*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 61.3, Abstain: 2.6, Oppose/Withhold: 36.1,

#### *O.14. Approve Compensation of Herve Philippe, Management Board Member*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 62.3, Abstain: 2.6, Oppose/Withhold: 35.1,

#### *O.15. Approve Compensation of Stephane Roussel, Management Board Member*

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 61.3, Abstain: 2.6, Oppose/Withhold: 36.1,

#### *O.17. Approve Remuneration Policy of Chairman of the Management Board*

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: 58.2, Abstain: 2.6, Oppose/Withhold: 39.2,

#### *O.18. Approve Remuneration Policy of Management Board Members*

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: 58.3, Abstain: 2.7, Oppose/Withhold: 39.0,

#### *O.21. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% and 18 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,

#### *E.23. Authorize Specific Buyback Program and Cancellation of Repurchased Share*

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: 73.1, Abstain: 0.6, Oppose/Withhold: 26.2,

#### *E.24. Authorize Issuance of Equity or Equity-Linked Securities with Preemptive Rights up to Aggregate Nominal Amount of EUR 655 Million*

Authority sought to issue shares with pre-emptive rights. The authorisation is limited to a number of ordinary shares with a nominal value amounting to 50% of the issued capital over a period of 26 months. However, the authority can be used in time of public offer. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.4, Abstain: 0.0, Oppose/Withhold: 6.6,

#### *E.27. Authorize Issued Capital for Use in Restricted Stock Plans*

The Board requests authority to approve an authority for the issue of shares by private placement. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 93.9, Abstain: 0.0, Oppose/Withhold: 6.1,

#### *E.28. Approve Issue of Shares for Employee Saving Plan*

Authority for a capital increase for up to 1% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,

*E.29. Authorize Capital Issuances for Use in Employee Stock Purchase Plans for Employees of International Subsidiaries*

Authority for a capital increase for up to 1% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,

**DENSO CORP AGM - 22-06-2021**

*2.1. Elect Kuwamura Shingo as Corporate Auditor*

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*

*2.2. Elect Niwa Motomi as Corporate Auditor*

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*

**NEC CORP AGM - 22-06-2021**

*1.8. Elect Iki Noriko - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *Oppose*

**EAST JAPAN RAILWAY CO AGM - 22-06-2021**

*1. Appropriation of Surplus*

Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 50 yen per share is proposed, however, the Company made a net loss in the year under review. It is considered unwise to pay a dividend in this instance given the capital maintenance needs of the company.

Vote Cast: *Oppose*

## **NIPPON SHOKUBAI CO LTD AGM - 22-06-2021**

### ***2.5. Elect Director Watanabe, Masahiro***

Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

*Vote Cast: Oppose*

### ***2.6. Elect Director Sumida, Yasutaka***

Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

*Vote Cast: Oppose*

## **CHINA OVERSEAS LAND & INVEST AGM - 22-06-2021**

### ***3.a. Elect Yan Jianguo***

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*

### ***3.c. Elect Chang Ying - Non-Executive Director***

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: CITIC Limited. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### ***3.d. Elect Chan Ka Keung, Ceajer - Non-Executive Director***

Independent Non-Executive Director. 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. Authorise the Board to Fix Directors' Remuneration***

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. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

*Vote Cast: Oppose*

#### *6. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% 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*

#### *7. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *8. Extend the General Share Issue Mandate to Repurchased Shares*

The directors seek authority to re-issue shares repurchased under the authority proposed at this meeting. The effect of the proposal, if approved, the limit for issuance of shares would exceed 10% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.

*Vote Cast: Oppose*

### **ELLAKTOR SA AGM - 22-06-2021**

#### *2. Discharge the Board and the Auditors*

In this market, Auditor discharge prevents lawsuits or claims for activities carried out during the year relating to facts that have not been disclosed to shareholders. As a consequence, releasing auditors from liability will weaken the governance framework and introduce great risks for investors. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *3. Appoint the Auditors and Allow the Board to Determine their Remuneration*

PwC proposed. Non-audit fees represented 23.96% of audit fees during the year under review and 46.02% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is recommended.

*Vote Cast: Oppose*

#### *6. Approve Release of Directors from Non-Competition Restriction*

Approval is sought for directors to serve on the board of other companies engaged in activities within the scope of the company's business. There are concerns over the risks and potential negative impact on shareholders interest connected to directors or other officers of the Company serving for competing companies. In addition, there is insufficient description on how the Company will take measure to monitor the conflicts of interest and prevent any negative effect for the Company and ultimately its shareholders. Therefore, an oppose vote is recommended.

*Vote Cast: Oppose*

#### *7. Approval of amendment of the Remuneration Policy*

It is proposed to approve the amendments on the Remuneration Policy of the Company. The aim of the amendment of the Remuneration Policy is to replace the Performance Share Plan which approved on 11.07.2019 by the General Meeting of Shareholders with a Stock Option Plan, i.e. a right to acquire shares at the current price at the time of their disposal. In this way creating an "ownership interest" that is intended to connect of the performance of each participating executive/employee to the Company's performance, aligning the interests of the Company's executives and staff to those of its shareholder. LTIP schemes are not considered an effective means of incentivizing performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure. Based on the mention concerns opposition is recommended.

*Vote Cast: Oppose*

#### *8. Approve Stock Option Plan*

The Board proposes the approval of a new Stock Option 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. Maximum opportunity is set at 100% of the salary. In exceptional circumstances, which are limited to recruitment or retention, the Remuneration Committee may make awards of up to 200% of base salary, which are not in line with best practice. The performance criteria and targets are determined at the start of each maturity period in line with the Company's financial and strategic objectives. Payments under the plan will be subject to recovery for at least three (3) years from the date of maturity in the event of certain specified circumstances including misstated financial statements of previous years or otherwise erroneous financial data used to calculate such incentive. LTIP schemes are not considered an effective means of incentivizing performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

*Vote Cast: Oppose*

#### *11. Approve Authority to Increase Authorised Share Capital*

Authority is sought to increase the authorised share capital of the Company up to three times its amount. 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*



**FOXCONN TECHNOLOGY CO LTD AGM - 23-06-2021****4. *Approve Release of Directors from Non-Competition Restriction***

Approval is sought for directors to serve on the board of other companies engaged in activities within the scope of the company's business. There are concerns over the risks and potential negative impact on shareholders interest connected to directors or other officers of the Company serving for competing companies. In addition, there is insufficient description on how the Company will take measure to monitor the conflicts of interest and prevent any negative effect for the Company and ultimately its shareholders. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

**HON HAI PRECISION IND CO LTD AGM - 23-06-2021****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. *Approve the Dividend***

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 Release of Directors from Non-Competition Restriction***

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*

**BANCA POPOLARE EMILIA ROMAGNA EGM - 23-06-2021****O.1.a. *Appoint Chair of Internal Statutory Auditors***

It is proposed to appoint Daniela Travella as new Chair of the Board of Statutory auditors. This candidate has been proposed by the major shareholder, Unipol. In terms of best practice, it is considered best practice that the Board of Statutory Auditors be chaired by the first of the candidates from the minority list. On this basis, opposition is recommended.

Vote Cast: *Oppose*

**O.2. *Elect Director***

There is insufficient disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

## **MOTOR OIL CORINTH REFINERIES AGM - 23-06-2021**

### *2. Discharge the Board and the Auditors*

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*

### *3. Elect Directors (Bundled)*

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*

### *4. Elect Members of Audit Committee (Bundled)*

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. Appoint the Auditors and Allow the Board to Determine their Remuneration*

Deloitte proposed. Non-audit fees represented 106.46% of audit fees during the year under review and 31.66% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is recommended.

*Vote Cast: Oppose*

### *10. Approve Stock Option Plan*

The Board proposes the approval of the distribution of prior years' Earnings up to EUR 5,500,000 to members of the Board, excluding the Independent Non-Executive Members and senior executives. 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*

#### *11. Advisory Vote on Remuneration Report*

It is proposed to approve with an advisory vote the remuneration report. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

*Vote Cast: Oppose*

### **DIGNITY PLC AGM - 23-06-2021**

#### *1. Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

*Vote Cast: Abstain*

*Results: For: 99.4, Abstain: 0.5, Oppose/Withhold: 0.0,*

#### *3. Re-elect Dean Moore - Executive Director*

Executive Director. At the time the Board has no independent Directors and consists of Executive Directors only. This is considered to be against best practice as the board, due to its supervisory functions among others, should include non-executive as well as executive directors. Opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 94.7, Abstain: 0.2, Oppose/Withhold: 5.1,*

#### *4. Elect Andrew Judd - Executive Director*

Executive Director. Acceptable service contract provisions. However, at the time the Board has no independent Directors and consists of Executive Directors only. This is considered to be against best practice as the board, due to its supervisory functions among others, should include non-executive as well as executive directors. Opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 81.0, Abstain: 18.6, Oppose/Withhold: 0.4,*

#### *5. Elect Gary Channon - 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: 73.8, Abstain: 22.6, Oppose/Withhold: 3.5,*

#### *6. Re-appoint Ernst & Young LLP as Auditors*

EY proposed. Non-audit fees represented 9.83% of audit fees during the year under review and 11.27% 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,*

#### *10. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

*Vote Cast: Oppose*

*Results: For: 99.6, Abstain: 0.0, Oppose/Withhold: 0.4,*

#### *11. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 99.6, Abstain: 0.1, Oppose/Withhold: 0.4,*

## WOODBOS LIMITED AGM - 23-06-2021

### *1. Receive the Annual Report*

Strategic report meets guidelines. Adequate employment policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, the Company failed to disclose the proportion of women on the Board, in Executive Management positions and within the whole organisation. There are also concerns over the Company's sustainability policies and practice. Therefore, as there are no directors up for election at this meeting who have been appointed responsibility and can be held accountable and due to the failure to disclose the proportion of women within the Company, an oppose vote is recommended.

Vote Cast: *Oppose*

### *3. Elect Henry Turcan - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder, he is a representative of Lombard Odier Investments. Also, the Company has not disclosed the date of first appointment and, as such, a potentially excessive tenure cannot be calculated. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *4. Reappoint PKF Littlejohn LLP as the auditors*

PKF Littlejohn LLP proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. 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*

## NIPPON STEEL CORP AGM - 23-06-2021

### *1. Appropriation of Surplus*

Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 12 yen per share is proposed, and the dividend payout ratio is approximately 18.9%. This exceeds the minimum acceptable threshold of 15% and the Company did not make a loss during the year under review. Support is recommended.

Vote Cast: *Oppose*

**WEST JAPAN RAILWAY CO AGM - 23-06-2021****1. *Appropriation of Surplus***

Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 50 yen per share is proposed, however, the Company made a net loss in the year under review. It is considered unwise to pay a dividend in this instance given the capital maintenance needs of the company.

Vote Cast: *Oppose*

**2.2. *Elect Saitou Norihiko - Non-Executive Director***

Non-Executive Director, not considered to be independent as the candidate's tenure exceeds nine years. There is insufficient independent representation on the Board (less than one-third of the whole Board). Opposition is recommended.

Vote Cast: *Oppose*

**2.5. *Elect Tsutsui Yoshinobu - Non-Executive Director***

Non-Executive Director. Not considered independent as the candidate is considered to be connected to a major shareholder. There is insufficient independent representation on the Board (less than one-third of the whole Board). Opposition is recommended.

Vote Cast: *Oppose*

**2.13. *Elect Tsubone Eiji - Executive Director***

Newly-appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

Vote Cast: *Oppose*

**SEKISUI CHEMICAL CO LTD AGM - 23-06-2021****3.1. *Elect Taketomo Hiroyuki as Corporate Auditor***

Newly nominated Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

## **MEDIASET SPA AGM - 23-06-2021**

### *O.3. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

*Vote Cast: Abstain*

### *O.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*

### *O.5. 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*

### *O.10. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 20% and 18 months. Although this resolution complies with article 2357 of the Italian Civil Code, support cannot be recommended as guidelines allow to purchase own shares up to 10% of share capital. Therefore, an oppose vote is recommended.

*Vote Cast: Oppose*

## **HITACHI LTD AGM - 23-06-2021**

### *1.5. Elect George Buckley - Non-Executive Director*

Not considered independent as the candidate's tenure exceeds nine years. Non-Executive Director, not considered to be independent. Overall Board independence is above 50%, providing a majority and sufficient quorum, and therefore the election of a further non-independent outsider is not supported. Incumbent Non-Executive

Director, not considered to be independent. Overall Board independence is less than 50%. The removal of incumbent outsiders on grounds of independence alone is not supported, where there is no majority of independent directors. Support is therefore recommended.

*Vote Cast: Oppose*

#### *1.7. Elect Mochizuki Harufumi - Non-Executive Director*

Not considered independent as the candidate's tenure exceeds nine years. Non-Executive Director, not considered to be independent. Overall Board independence is above 50%, providing a majority and sufficient quorum, and therefore the election of a further non-independent outsider is not supported. Incumbent Non-Executive Director, not considered to be independent. Overall Board independence is less than 50%. The removal of incumbent outsiders on grounds of independence alone is not supported, where there is no majority of independent directors. Support is therefore recommended.

*Vote Cast: Oppose*

### **VERTU MOTORS PLC AGM - 23-06-2021**

#### *2. Re-appoint the Auditors: PricewaterhouseCoopers LLP*

PwC proposed. Non-audit fees represented 4.00% of audit fees during the year under review and 3.42% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

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*

#### *5. Re-elect Kenneth Lever - Senior Independent Director*

Senior Independent Director. Not considered independent as the director has a relationship with the Company, which is considered material. In 2018 Biffa Plc, of



which Mr K Lever is a director and shareholder, acquired SWRnewstar Limited, which provides the Group's waste services. It is considered that a Senior Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Therefore, an oppose vote is recommended.

*Vote Cast: Oppose*

#### *6. 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 total variable variable remuneration do not exceed 200% the salary for the highest paid director for the year, however, maximum potential of annual bonus & LTIP is not capped up to 200%, which can potentially may lead to overpayment against under-performance. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated using financial and non-financial metrics. There are no claw back clauses in place. Performance period is up to three years, even though is a common practice in this market, the best practices consider a period of five years. There are insufficient disclosure on termination, recruitment and change of control provisions. On balance, abstention is recommended.

*Vote Cast: Abstain*

#### *7. Issue Shares with Pre-emption Rights*

The authority is limited to one third of the Company's issued share capital. This cap can increase to two-third of the issued share capital if shares are issued in connection with an offer by way of a rights issue. This authority expires at the next AGM. Not all directors are standing for annual re-election and there is no commitment from all the directors to stand for re-election in case this additional authority is used. In the absence of such commitment, an abstain vote is recommended.

*Vote Cast: Abstain*

#### *8. 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. Additional Issue Shares for Cash*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, an oppose vote is therefore recommended.

*Vote Cast: Oppose*

#### *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*

#### *11. Amend Existing Long Term Incentive Plan*

The board seek to approve amendments to the Long Term Incentive Plan. The Directors states that it is necessary to change plan that required the setting of three-year targets (absolute TSR growth, average Group ROE and cumulative adjusted profit before tax) to a four-year plan where the targets are annual. Additionally, the Remuneration Committee explain that the volatility and uncertainty that is impacting on the Motor Retail Industry has meant that three-year targets do not provide an incentive for participants and do not fairly align pay with the performance of the Company taking into account the macro economic factors.

While it is considered that extending the performance period is welcomed, there are still issues with the plan. It is considered that LTIP performance periods should be 5 years. Additionally, there are no non-financial performance conditions attached to the plan, and which is not considered to be best practice. For these reasons, abstention is recommended.

*Vote Cast: Abstain*

### **VELOCYS PLC AGM - 23-06-2021**

#### *1. Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, the Company failed to disclose the proportion of women in Executive Management positions. An abstain vote is recommended.

*Vote Cast: Abstain*

#### *8. Reappoint PricewaterhouseCoopers LLP as the Auditors*

PwC proposed. Non-audit fees represented 6.25% of audit fees during the year under review and 2.67% 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*

#### 12. *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*

#### 13. *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*

### **FRESNILLO PLC AGM - 24-06-2021**

#### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 99.5, Abstain: 0.5, Oppose/Withhold: 0.0,

#### 4. *Re-elect Alejandro Baillères - Chair (Non Executive)*

Chair. The Chair is not considered to be independent as he was appointed to the Board by Penoles S.A.B de C.V, which owns 74.99 per cent of the Company's issued share capital and is controlled by his father and previous Chair, Mr Alberto Bailleres. In addition, it is a generally accepted norm of good practice that a Chair of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Being a non-independent Chair is considered to be incompatible with this. Oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 93.6, Abstain: 0.0, Oppose/Withhold: 6.4,

#### 6. *Re-elect Arturo Fernandez - Designated Non-Executive*

Non-Executive Director. Not considered independent as he was appointed to the Board by Peñoles S.A.B de C.V, which owns 74.99% of the Company's issued share capital and is controlled by the Baillères family. However, there is sufficient independent representation on the Board. In addition, Mr. Fernandez is 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.

Mr. Fernandez is also 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. Overall an abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 98.3, Abstain: 0.7, Oppose/Withhold: 1.0,*

#### *11. Re-elect Alberto Tiburcio - Non-Executive Director*

Non-Executive Director, Chair of the Audit Committee. Not considered independent as Mr. Alberto Tiburcio retired as Chair and Chief Executive Officer of Mancera S.C., the Mexican firm of EY, the Company's auditors, in June 2013. The Company states that Mr. Tiburcio was not involved in the provision of audit or any other services to the Company by Ernst & Young LLP prior to his retirement. It is considered that audit committees should be comprised exclusively of independent members, including the chair. Opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 99.0, Abstain: 0.0, Oppose/Withhold: 1.0,*

#### *16. Re-appoint Ernst & Young LLP as auditors of the Company*

EY proposed. Non-audit fees represented 18.38% of audit fees during the year under review and 6.49% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

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: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,*

#### *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: 98.2, Abstain: 0.0, Oppose/Withhold: 1.8,

#### 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: 99.4, Abstain: 0.1, Oppose/Withhold: 0.5,

### **TISCALI SPA AGM - 24-06-2021**

#### O.3.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*

#### O.3.b. *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*

#### O.5. *Authorize Issuance of Convertible Bonds*

The board seeks authority to issue convertible bonds 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*

### **FANUC CORP AGM - 24-06-2021**

#### 2. *Amendment of Article of Association*

Changing board structure to the audit and supervisory committee system. The board proposes to alter the board structure to change from a "Statutory Corporate

Auditor" structured company (Kansayaku-setchi-gaisha) to a three-committee structure (Shimei-iinkai-tou-Setchi Gaisha), with committees responsible for audit, nomination and remuneration/or to an Audit and Supervisory Committee structured company (Kansa-tou-iinkaci-Setchi Gaisha), - a development that is welcomed. Under this model, and in line with the Japanese Commercial Code, each of the board committees should consist of a majority of independent directors. There is sufficient independent [outside] representation on the board.

Vote Cast: *Oppose*

## THE KROGER CO. AGM - 24-06-2021

### 1e. *Elect W. Rodney McMullen - 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. In addition, 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 and the merging of the CEO and Chair roles, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 90.2, Abstain: 1.4, Oppose/Withhold: 8.4,

### 1f. *Elect Clyde R. Moore - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board, it is noted that the director is the Chair of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 91.6, Abstain: 0.6, Oppose/Withhold: 7.8,

### 1g. *Elect Ronald L. Sargent - Senior Independent Director*

Lead Independent Director. Not considered independent as he was an employee of the Company between 1979 and 1989, holding various management positions. Also he has served on the Board for more than nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is the Chair of the Compensation committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 91.8, Abstain: 0.8, Oppose/Withhold: 7.5,

## 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: AEA. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 89.3, Abstain: 0.5, Oppose/Withhold: 10.3,

### *3. Ratify PricewaterhouseCoopers LLC as Auditor*

PwC proposed. Non-audit fees represented 0.17% of audit fees during the year under review. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 93.3, Abstain: 0.2, Oppose/Withhold: 6.5,

## **RICOH CO LTD AGM - 24-06-2021**

### *3.1. Elect Satou Shinji as Corporate Auditor*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended

Vote Cast: *Oppose*

## **SANGETSU CO LTD AGM - 24-06-2021**

### *3.3. Appoint a Director as Supervisory Committee Member: Udagawa Kenichi*

Non-Executive Director. Not considered to be independent. The Audit & Supervisory Committee is less than 50% independent. Therefore, opposition is recommended.

Vote Cast: *Oppose*

### *3.5. Appoint a Director as Supervisory Committee Member: Sasaki Shuuji*

Executive Director. The Company operates under the corporate governance structure with a board of directors and an audit & supervisory committee, which should only comprise outside non-executive directors. As an executive director is proposed as a member of the Committee, opposition is recommended.

Vote Cast: *Oppose*

## **VPC SPECIALTY LENDING INVESTMENTS PLC AGM - 24-06-2021**

### *9. Re-appoint PricewaterhouseCoopers LLP as auditors of the Company*

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.

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: 95.5, Abstain: 0.1, Oppose/Withhold: 4.4,

### 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: 95.5, Abstain: 0.1, Oppose/Withhold: 4.4,

## **GIANT MANUFACTURING CO LTD AGM - 24-06-2021**

### 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. *Approve the Dividend*

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. *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*

*4. Approve Amendment to Rules and Procedures for Election 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*

*5. Approve the Application of D.MAG (KUNSHAN) NEW MATERIAL TECHNOLOGY CO.,LTD., a Subsidiary of the Company, for its A-share Initial Public Offering (IPO) and Listing in an Overseas Securities Market*

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*

*6.1. Elect THO, TU HSIU-CHEN (Bonnie Tu), with Shareholder No. 2, as Non-Independent 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*

*6.3. Elect LIU, CHIN-PIAO (King Liu), with Shareholder No. 4, as Non-Independent 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. Elect LIU, YUON-CHAN (Young Liu), with Shareholder No. 22, as Non-Independent 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*

*6.4. Elect CHIU, TA-PENG, with Shareholder No. 8, as Non-Independent 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*

*6.5. Elect YANG, HUAI-CHING, with Shareholder No. 110, as Non-Independent 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*

*6.6. Elect CHIU,TA-WEI, with Shareholder No. 435, as Non-Independent 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*

*6.7. Elect THO,TZU CHIEN, with Shareholder No. 98, as Non-Independent 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*

*6.8. Elect a Representative of Kinabalu Holding Company, with Shareholder No. 105810, as Non-Independent 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*

*6.9. Elect CHEN,HONG-SO (Hilo Chen), with ID No. F120677XXX, as Independent 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*

*6.10. Elect LO,JUI-LIN, with ID No. L120083XXX, as Independent 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*

*6.11. Elect HO, CHUN-SHENG (Chaney Ho), with ID No. M100733XXX, as Independent 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*

*7. Approve Release of Directors from Non-Competition Restriction*

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*

**BIOPHARMA CREDIT PLC EGM - 24-06-2021**

*1. Re-appoint the Auditors: PwC*

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*

## **SOLTEC POWER HOLDINGS SA AGM - 24-06-2021**

### *1. Approve Consolidated and Standalone Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. Nevertheless, the company at this time has not disclosed the annual report on remuneration, which is considered a serious lack of disclosure. On this basis, and despite no serious concerns have been identified with regards to the financial statements, abstention is recommended to signal concern over lack of disclosure.

*Vote Cast: Abstain*

### *2. Approve Consolidated and Standalone Management Reports*

Not all of the management reports were made available sufficiently before the meeting. The company at this time has not disclosed the annual report on remuneration, which is considered a serious lack of disclosure. Opposition is recommended, as this is considered a serious reporting omission.

*Vote Cast: Oppose*

### *4. Discharge the Board*

Standard proposal. The company at this time has not disclosed the annual report on remuneration, which is considered a serious lack of disclosure. On this basis, and despite no evidence of wrongdoing has been identified, abstention is recommended to signal concern over lack of disclosure and in the impossibility to make a fully informed assessment on the events that may have an impact on the discharge of the board.

*Vote Cast: Abstain*

#### *6. Advisory Vote on 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 no claw back clauses in place, which is against best practices. Opposition is recommended.

*Vote Cast: Oppose*

### **SDX ENERGY PLC AGM - 25-06-2021**

#### *5. Re-elect David Mitchell - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was CEO of Madison PetroGas on joining in 2008, building the company prior to the merger with Sea Dragon Energy. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *8. Reappoint PricewaterhouseCoopers LLP as the Auditors*

PwC proposed. Non-audit fees represented 11.94% of audit fees during the year under review and 31.98% 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*

#### *11. 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*

#### *12. Authorise Share Repurchase*

The authority is limited to 4.1% 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*

### **AMADA CO LTD AGM - 25-06-2021**

#### *2.1. Elect Isobe Tsutomu - President*

Executive Director, 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*

### **ZTE CORP AGM - 25-06-2021**

#### *10.00. Issuance of Multiple Types of Debt Financing Instruments for 2021*

It is proposed to issue non-convertible bonds for private placement. Although there is no indication that these instruments will be convertible into shares, and therefore there is no risk of unexpected dilution of existing shareholders, it is considered that authorities for private placement should be duly justified, namely regarding the rationale and the beneficiary of the placement. In lack of it, opposition is recommended.

*Vote Cast: Oppose*

#### *11.00. Application for Composite Credit Facilities for 2021*

It is proposed that the Board of Directors be authorised to adjust the details and actual duration of the credit facilities pursuant to the Company's requirements or negotiations with the bank, subject to the cap of USD4.0 billion for the composite credit facilities. The resolution shall be valid with effect from the date on which it is considered and approved at the 2020 Annual General Meeting until (1) the approval of the next new credit facilities with the financial institution by the Company's internal competent authorities, or (2) 30 June 2022 (whichever is earlier).

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. Although the Company has disclosed sufficient details of the transaction, 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*

*13.01. Re-appointment of Ernst & Young Hua Ming LLP as the auditor of the Company's financial report for 2021*

EY proposed. Non-audit fees represented 7.73% of audit fees during the year under review and 8.94% 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*

*13.02. Re-appointment of Ernst & Young Hua Ming LLP as the internal control auditor of the Company for 2021*

EY proposed. Non-audit fees represented 7.73% of audit fees during the year under review and 8.94% 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*

*14.00. Approve General Share Issue Mandate*

The authority is exceeding 10% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.

*Vote Cast: Oppose*

*15.00. Resolution on the Shareholders' Dividend and Return Plan (2021–2023)*

At this time, the Company has not made available the dividend policy. Opposition is recommended as this is considered a serious reporting omission.

*Vote Cast: Oppose*

**CHINA CONSTR BANK CORP AGM - 25-06-2021**

*7. Elect Antony Leung Kam Chung - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has served as international advisor of China Development Bank, a company controlled by Huijin, the substantial shareholder. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*8. Appoint the Auditors*

EY proposed. Non-audit fees represented 7.73% of audit fees during the year under review and 6.90% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. 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*

### **COMPAL ELECTRONIC INC AGM - 25-06-2021**

#### *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. Approve the Dividend*

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 the Amendment to the "Regulations for Election 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*

#### *4.1. Elect Sheng-Hsiung Hsu, with Shareholder No. 23, as Non-Independent 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*

#### *5. Approve Release of Directors from Non-Competition Restriction*

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*

#### *4.2. Elect Jui-Tsung Chen, with Shareholder No. 83, as Non-Independent 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*

#### *4.3. Elect Wen-Being Hsu, a Representative of Binpal Investment Co., Ltd., with Shareholder No. 632194, as Non-Independent 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*

*4.4. Elect Chieh-Li Hsu, a Representative of Kinpo Electronics Inc., with Shareholder No. 85, as Non-Independent 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*

*4.5. Elect Charng-Chyi Ko, with Shareholder No. 55, as Non-Independent 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*

*4.6. Elect Sheng-Chieh Hsu, with Shareholder No .3, as Non-Independent 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*

*4.7. Elect Yen-Chia Chou, with Shareholder No. 60, as Non-Independent 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*

*4.8. Elect Chung-Pin Wong, with Shareholder No. 1357, as Non-Independent 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*

*4.9. Elect Chiung-Chi Hsu, with Shareholder No. 91, as Non-Independent 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*

*4.10. Elect Ming-Chih Chang, with Shareholder No. 1633, as Non-Independent 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*

*4.11. Elect Anthony Peter Bonadero, with Shareholder No. 548777XXX, as Non-Independent 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*



*4.12. Elect Sheng-Hua Peng, with Shareholder No. 375659, as Non-Independent 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*

*4.13. Elect Min Chih Hsuan, with Shareholder No. F100588XXX, as Independent 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*

*4.14. Elect Duei Tsai, with Shareholder No. L100933XXX, as Independent 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*

*4.15. Elect Wen-Chung Shen, with Shareholder No. 19173, as Independent 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*

## **MITSUBISHI CORP AGM - 25-06-2021**

*1. Appropriation of Surplus*

Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 67 yen per share is proposed, and the dividend payout ratio is approximately 114.7%. which at more than 100% payout, is considered unwise given the capital maintenance needs of the company.

*Vote Cast: Oppose*

## **UDG HEALTHCARE PLC EGM - 25-06-2021**

*3. Amend Long Term Incentive Plan*

It is proposed to amend the Company's 2010 the Long Term Incentive Plan so as to delete the existing clause 7.2(a)(iii) and replace it with the following clause 7.2(a)(iii); "7.2(a)(iii) Subject to the Scheme of Arrangement becoming effective and a Participant having accepted the Rule 15 Proposal in respect of all of his or her outstanding Awards, the proportion of any unvested component of an Award which shall vest shall be determined by reference to the extent to which any Performance Target has been satisfied at the date of the relevant transaction referred to in this sub-rule 7.2, the testing of such Performance Target to be carried out on a date to be determined

by the Remuneration Committee, on or around the date of completion of the relevant transaction. The proposed amendments do not significantly improve the concerns of the LTIP, therefore opposition is recommended.

Vote Cast: *Oppose*

Results: For: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

### **CHIBA BANK LTD AGM - 25-06-2021**

#### *2.1. Elect Sakuma Hidetoshi - 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.

Vote Cast: *Oppose*

### **SENKO GROUP HOLDINGS AGM - 25-06-2021**

#### *2.7. Elect Takanashi Toshio - Executive Director*

Newly-appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

Vote Cast: *Oppose*

#### *2.8. Elect Ameno Hiroko - Non-Executive Director*

Non-Executive Director, not considered to be independent. Not considered independent as the candidate's tenure exceeds nine years. There is insufficient independent representation on the Board (less than one-third of the whole Board). Opposition is recommended.

Vote Cast: *Oppose*

### **ENTAIN PLC AGM - 25-06-2021**

#### *1. 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 some concerns over the Company's sustainability policies and practice. In addition to the board-level accountability, it is recommended to abstain also from voting on the annual report, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for approval.

Vote Cast: *Oppose*

Results: For: 99.4, Abstain: 0.6, 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. It is noted that the CEO salary do not increase for the year under review when the workforce salary increase by 3.2%. The CEO salary is on the lower quartile of the competitor group.

**Balance:** Changes in CEO over the past five years are not considered in line with changes in TSR during the same period. The CEO's total realized awards during the year under review stands at approximately 295% (LTIP: 295%; Annual Bonus: nil). It is noted that no Annual Bonus was paid for the year under review which is commendable. The CEO's maximum potential award under all incentive schemes is considered excessive at 550% (Annual Bonus: 250%; LTIP 300%). The ratio of CEO pay compared to average employee pay stands at 25:1 which is not considered adequate. PIRC consider a ratio of 20:1 as appropriate.

Rating: AD

Vote Cast: *Oppose*

Results: For: 98.6, Abstain: 0.0, Oppose/Withhold: 1.4,

## 3. Ratify KPMG LLP as Auditors

KPMG proposed. No Non-audit fees were paid for the year under review and Non-audit fees represents 12.00% 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.

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: 0.0, Oppose/Withhold: 0.5,

## 13. Re-elect Peter Isola - Non-Executive Director

Non-Executive Director. Not considered independent as Peter Isola is a partner at Isolais, a law firm in Gibraltar which provided legal services to the company. This relationship is considered material and raises concerns over a potential conflict of interest. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.4, Abstain: 0.0, Oppose/Withhold: 0.6,

## 15. Re-elect Virginia McDowell - Non-Executive Director

Independent Non Executive Director and Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material

risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.6, Abstain: 0.5, Oppose/Withhold: 0.9,

#### 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. Although this resolution is in line with normal market practice, the resolution registered a significant level of oppose votes of 19.03% at the 2020 AGM which has not been adequately addressed. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 85.1, Abstain: 0.0, Oppose/Withhold: 14.8,

#### 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: 96.7, Abstain: 0.2, Oppose/Withhold: 3.1,

#### 21. *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: 99.4, Abstain: 0.1, Oppose/Withhold: 0.6,

### **SUZUKI MOTOR CO LTD AGM - 25-06-2021**

#### 3.1. *Elect Toyoda Taisuke as Corporate Auditor*

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*

### **TON YI INDUSTRIAL CORP AGM - 25-06-2021**

#### 1. *Adoption of the 2020 Business Report and 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. Adoption of the Proposal for Distribution of 2020 Profits*

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. Amendment to the Rules of Procedure for Shareholder Meetings*

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. Amendment to the Company's Procedures for Election 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*

*5. Approve Release of Directors from Non-Competition Restriction*

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*

**HIROSE ELECTRIC CO LTD AGM - 25-06-2021**

*3.1. Elect Ishii Kazunori - President*

Executive Director. President. It is considered the responsibility of the most senior Board member to ensure that there is appropriate outside oversight of Board decisions. As there are three or more outside directors, it is considered that there is adequate outside presence on the Board. However, after this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

*3.5. Elect Kamagata Shin - Executive Director*

Newly appointed Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity.

Opposition is recommended. Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

*Vote Cast: Oppose*

### *3.6. Elect Inasaka Jun - Executive Director*

Newly appointed Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended. Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

*Vote Cast: Oppose*

### *3.8. Elect Hotta Kensuke - 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*

### *4.1. Appoint a Director as Supervisory Committee Member: Chiba Yoshikazu*

Non-Executive Director nominated as committee member. Not considered to be independent. The Audit & Supervisory Committee is less than 50% independent. Therefore, opposition is recommended.

*Vote Cast: Oppose*

### *4.2. Appoint a Director as Supervisory Committee Member: Sugishima Terukazu*

Not considered independent as the candidate's tenure exceeds nine years. Non-Executive Director nominated as committee member. Not considered to be independent. The Audit & Supervisory Committee is less than 50% independent. Therefore, opposition is recommended.

*Vote Cast: Oppose*

## **NSK LTD AGM - 25-06-2021**

### *1.8. Elect Nagahama Mitsuhiro - Non-Executive Director*

Not considered independent as the candidate is considered to be connected to an affiliated bank, Non-Executive Director, not considered to be independent. There is sufficient independent representation on the Board (at least one-third of the whole Board). Support is recommended.

*Vote Cast: Oppose*

## **GINKO INTERNATIONAL AGM - 25-06-2021**

### *1. 2020 Business Report and Consolidated 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. 2020 Profit Distribution Table*

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. Proposed Amendments to the Articles of Procedures for Lending Funds to Other Parties*

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. Proposed Amendments to the Articles of Procedures for Endorsement and Guarantee.*

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. Proposed Amendments to the name and some Articles of Rules for Director and Supervisor Elections.*

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. Proposed abrogation of Rules Governing the Scope of Powers of Supervisors*

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 Release of Directors from Non-Competition Restriction*

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*

*7.1. Elect Kuo-Chou Tsai, with Shareholder No. 48, as Non-independent 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*

*7.2. Elect Kuo-Yuan Tsai, with Shareholder No. 14, as Non-independent 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*

*7.3. Elect a Representative of New Path International Co., Ltd., with Shareholder No. 1, as Non-independent 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*

*7.4. Elect a Representative of Hydron International Co., Ltd., with Shareholder No. 2, as Non-independent 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*

*7.5. Elect a Representative of Ocean Heart International Limited, with Shareholder No. 5, as Non-independent 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*

*7.6. Elect a Representative of MIGHTY STAR INVESTMENT LIMITED., with Shareholder No. 12, as Non-independent 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*

*7.7. Elect Ken-Cheng Wu, with Shareholder No. G120325XXX, as Independent 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*

*7.8. Elect Jui-Lung Tung, with Shareholder No. L101232XXX, as Independent 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*



### [7.9. Elect Chia-Chung Chan, with Shareholder No. K120410XXX, as Independent 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*

## **TESCO PLC AGM - 25-06-2021**

### [3. Approve Remuneration Policy](#)

**Policy Rating: BDB** Changes proposed: i) maximum pension contribution for new-hire Executive Directors reduced from 15% to 7.5% and ii) post-cessation shareholding requirement extended to 100% for two years.

Total potential awards under all incentive schemes are considered excessive at 600% of salary. Annual Bonus, maximum opportunity is at 250% of the base salary for the CEO and 225% of the salary for the CFO, 50% of the bonus is deferred to shares for a three-year period. The performance measures are: Group operating profit (50%), sales growth (30%) and strategic objectives (20%). The Performance Shares Plan (PSP), maximum opportunity is at 350% of the base salary, it is noted that for the financial year 2021 the maximum opportunity will be 300% for the CEO and 275% for the CFO. The vesting period is three years which is not sufficient long term, however a two-year holding period apply which is welcomed. Performance measures are EPS (50%) and Free cash flow (50%). There are no non-financial performance measures attached to the PSP and so the focus of remuneration policy is not the operational performance of the business as a whole or the individual roles of each of the executives in achieving that performance. Instead, the focus of the remuneration policy is financial KPIs, which mainly include factors beyond an individual director's control. The policy does not prohibit dividend accrual. 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. Clawback and malus provisions apply in both the Annual Bonus and the PSP.

*Vote Cast: Oppose*

*Results: For: 93.6, Abstain: 0.0, Oppose/Withhold: 6.3,*

### [18. Re-appoint Deloitte LLP as Auditors](#)

Deloitte proposed. Non-audit fees represented 13.21% 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. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Abstention is recommended

*Vote Cast: Abstain*

*Results: For: 98.7, Abstain: 1.3, Oppose/Withhold: 0.0,*

### [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: 91.0, Abstain: 0.1, Oppose/Withhold: 8.9,*

### [23. Authorise Share Repurchase](#)

The authority is limited to just under 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board

has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.3, Oppose/Withhold: 1.4,

#### *26. 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: 93.7, Abstain: 0.0, Oppose/Withhold: 6.3,

### **RADIUM LIFE TECH CO LTD AGM - 25-06-2021**

#### *1. The 2020 Business Report and 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. The 2020 Earnings Distribution*

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. The closure report for the Company's first overseas unsecured convertible bonds in 2004.*

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. Amendment of the 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*

## **OBRASCON HUARTE LAIN SA AGM - 28-06-2021**

### **5.1. *Elect Juan Antonio Santamera Sanchez - Non-Executive Director***

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Grupo Villar Mir, S.A.U. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### **5.2. *Elect Juan José Nieto Bueso - 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. *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, 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 reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

### **9.5. *Amend General Provisions: Discussion and vote of issues subject to the General Meeting and Minute of the Meeting***

The Board proposes to amend articles 19, 22 and 24. 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*

### **11. *Authorise Share Repurchase***

It is proposed to authorise the Board to purchase Company's shares for 15% 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*

**FUJITSU LTD AGM - 28-06-2021****1.9. *Elect Sasae Kenichirou - Non-Executive Director***

Newly-appointed Independent Non-Executive Director.

Vote Cast: *Oppose*

**2.1. *Elect Hirose Youichi***

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*

**PENNON GROUP PLC EGM - 28-06-2021****5. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment***

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.1, Oppose/Withhold: 2.1,

**6. *Authorise Share Repurchase***

In addition to the Special Dividend which proposed on resolution 1, and in order to return further capital to Shareholders, the Company intends to initiate an on-market share buy-back programme in order to purchase New Ordinary Shares from Shareholders, for an aggregate purchase price of up to GBP 0.4 billion later in 2021. In order to return up to GBP 0.4 billion in this manner, the Board is seeking an additional authority from Shareholders to repurchase up to 14.99% of the Company's issued share capital. The Board believes that seeking an authority to repurchase up to 14.99% of the Company's issued share capital at the General Meeting is necessary to provide the required authority headroom in order to execute the proposed Share Buy-back, given its size, and the proposed Resolution reflects this percentage applied to the post-Share Consolidation number of issued and allotted shares of Pennon. The Board intends to renew this 14.99% authority at the 2021 AGM. This authority is requested in order to increase the Company's flexibility to optimize the long-term financial and tax efficiency of its capital structure and to implement the proposed Share Buy-back. The Directors confirm that they will only purchase New Ordinary Shares where they believe the effect would be to increase future earnings per share on those shares not purchased and where it would be in the best interests of Shareholders. 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: 96.9, Abstain: 0.3, Oppose/Withhold: 2.8,

## MS&AD INS GROUP HLDGS INC AGM - 28-06-2021

### 3.1. *Elect Sutou Atsuko*

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*

## INTRALOT SA - INTEGRATED IT AGM - 29-06-2021

### 2. *Approve Management of Company and Grant Discharge to Auditors*

In this market, auditors discharge may prevent lawsuits or claims for activities carried out during the year relating to facts that have not been disclosed to shareholders. As a consequence, releasing auditors from liability will weaken the governance framework and introduce great risks for investors. On this basis, opposition is recommended.

Vote Cast: *Oppose*

### 4. *Approve Auditors and Fix Their Remuneration*

CPA (SOEL) proposed. Non-audit fees represented 27.08% of audit fees during the year under review and 18.90% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Abstention is recommended.

Vote Cast: *Abstain*

### 7. *Elect Directors (Bundled)*

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. Opposition is recommended.

Vote Cast: *Oppose*

### 12. *Pre-approve Director Remuneration for 2021*

It is proposed approval of fees and remunerations, which had been paid, to members of the Board of Directors, for the past fiscal year and preliminary approval of remuneration for next year. The fees paid for last year correspond to those pre-approved at last year's AGM and do not raise serious concerns. On the other hand, fees for next year are not disclosed at this time. On this basis, abstention is recommended.

Vote Cast: *Abstain*

### 13. *Authorize Board to Participate in Companies with Similar Business Interests*

With this resolution, the Board is seeking authority that Members of the Board of Directors and to other Executives of the Company may participate in the Boards of Directors and/or in the Management of companies of the Group, having similar purposes to those of the Company. This authority is not sought for defined appointments.

As a consequence, if approved, this authority may lead to potential time commitment concerns. In addition, an excessive number positions within the same company may develop excessive familiarity and trust, which would eventually hinder an effective independent oversight by directors (while there is already insufficient independent representation on the Board). On these grounds, opposition is recommended.

*Vote Cast: Oppose*

#### *17. 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*

### **TECNICAS REUNIDAS AGM - 29-06-2021**

#### *5. Appoint the Auditors*

PwC proposed. Non-audit fees represented 29.04% of audit fees during the year under review and 38.93% 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. 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-Linked Securities. However, the increase without pre-emptive rights is capped at 20% of the share capital, which is not in line with best practice. Opposition is recommended.

*Vote Cast: Oppose*

#### *9. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

#### *11. 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, 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 reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

#### **MITSUBISHI UFJ FINANCIAL GRP AGM - 29-06-2021**

##### *8. Shareholder Resolution: Appoint Shareholder Director Nominee Ino, Tatsuki*

As a director of TAC Co., Ltd., Mr. Ino is so broad-minded as to accept all sorts of things, both good and evil, such as effectively dismissing a lecturer who made an accusation of illegal payoff for the benefit of a corporate racketeer. While he has a questionable track record at the company, he is expected to demonstrate his capabilities at the Company, which has a well-established compliance system. **Proponent's argument:** Election of a Director (Elect Tatsuki Ino) to the board. "

**Company's response:** The Board of Directors recommends a vote against this proposal. In order to ensure the effectiveness of the board of directors, the board of directors is composed of members who have in-depth knowledge of the Group's business as well as diverse knowledge and expertise in finance, financial accounting, risk management, and legal compliance, among others, thereby maintaining appropriate balance as a whole. In addition, the Nominating and Governance Committee has established certain standards for the selection of directors, including the standard that directors, as fiduciaries of management elected by shareholders, must properly fulfill their fiduciary duty and due diligence in the execution of their duties, and have the quality to contribute to the sustainable growth and medium- to long-term enhancement of the corporate value of the Company, as well as the quality to properly supervise the execution of duties by the management team. The committee nominates persons who meet these requirements as candidates for directors. In accordance with the above policy, the Company believes that the candidates for directors proposed in the Second Item of Business for this General Meeting of Shareholders are the most appropriate and well-balanced composition.

**PIRC analysis:** There is insufficient biographical information on the proposed director, in order to make an informed assessment.

*Vote Cast: Abstain*

#### **FCC SA AGM - 29-06-2021**

##### *1.2. Discharge the 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*

##### *2. Re-elect Alicia Alcocer Koplowitz - Non-Executive Director*

Non-Executive Director. Not considered to be independent as she is representative of EAC Inversiones Corporativas, S.L. In addition, she has been on the Board for more than nine years and has family ties on the board. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *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, 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 reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

### *5.3. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. 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*

## **ACCIONA SA AGM - 29-06-2021**

### *1.7. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 28.75% of audit fees during the year under review and 33.69% 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*

### *2.1. Elect Jose Manuel Entrecañales Domecq - 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*

### *2.5. Elect Javier Sendagorta Gómez del Campillo - 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*



### *2.8. Elect Maria Dolores Dancausa Treviño - 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*

### *3.1. 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. 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*

### *6. Approve the Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. There are excessiveness concerns 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. 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*

## **DONGFANG ELECTRIC CORP LTD CLASS - 29-06-2021**

### *1. Approve Repurchase and Cancellation of Certain Restricted Shares*

The board seek to approve the repurchase and cancellation of all the Restricted Shares totalling 475,000 A Shares. Upon completion of the Repurchase and Cancellation, the total number of Shares of the Company will be changed from 3,119,626,130 Shares to 3,119,151,130 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*

## **DONGFANG ELECTRIC CORP LTD AGM - 29-06-2021**

### *7. Approve Fees Payable to the Board of Supervisors*

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*

#### *8. Elect Zhang Jilie as Supervisor*

Candidate Member of the Supervisory Board. Mr. Zhang is not considered independent as he is a deputy general manager, a member of the Party Committee and the chief law consultant of Dongfang Electric Corporation.

*Vote Cast: Oppose*

#### *9. Elect Feng Yong as Supervisor*

Candidate Member of the Supervisory Board. Mr. Yong is not considered independent as he was the deputy head of Asset and Finance Department of Dongfang Electric Corporation, the head of Finance Department of Dongfang Electric Corporation Limited, the head of Asset and Finance Department of Dongfang Electric Corporation, and a director, general manager and the secretary of the Party Committee of Dongfang Electric Finance Co., Ltd.

*Vote Cast: Oppose*

#### *11.1. Elect Yu Peigen - 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*

#### *11.4. Elect Zhang Yanjun - Executive Director*

Newly appointed Executive Director. There are concerns that more than one-third of the Board comprises of Executive Directors, and as such it is considered that there may be insufficient independent representation to protect minority shareholder interests. An oppose vote is recommended for newly appointed executive directors, while executives will correspond to more than 33% of the whole Board.

*Vote Cast: Oppose*

#### *12.1. Elect Liu Dengqing - Non-Executive Director*

Independent Non-Executive Director.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

Vote Cast: *Oppose*

#### **CHINA LONGYUAN POWER GROUP EGM - 29-06-2021**

##### *1. Elect Li Zhongjun - 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*

##### *2. Elect Tang Chaoxiong - Non-Executive Director*

Non-Executive Director. Not considered independent as he holds executive positions at Guodian Group, a significant shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### **MATSUMOTOKIYOSHI HLDGS CO AGM - 29-06-2021**

##### *8. Election of five Directors in association with the Management Integration*

The candidates have not been disclosed. As such, abstention is recommended.

Vote Cast: *Abstain*

##### *9. Election of one Corporate Auditor in association with the Management Integration*

The candidate has not been disclosed, abstention is therefore recommended.

Vote Cast: *Abstain*

#### **MINEBEA CO LTD AGM - 29-06-2021**

##### *2.8. Elect Murakami Koushi - Non-Executive Director*

Non-Executive Director. Not considered independent as the candidate's tenure exceeds nine years. There is insufficient independent representation on the Board (less than one-third of the whole Board). Opposition is recommended.

Vote Cast: *Oppose*

### [2.12. Elect Matsuoka Takashi - Non-Executive Director](#)

Non-Executive Director. Not considered independent as the candidate's tenure exceeds nine years. There is insufficient independent representation on the Board (less than one-third of the whole Board). Opposition is recommended.

Vote Cast: *Oppose*

## **TOEI CO LTD AGM - 29-06-2021**

### [1. Appropriation of Surplus](#)

Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 30 yen per share is proposed, and the dividend payout ratio is approximately 10.3%, which at less than 15%, is below what shareholders could reasonably expect.

Vote Cast: *Oppose*

## **DAIWA HOUSE INDUSTRY CO AGM - 29-06-2021**

### [2.9. Elect Murata Yoshiyuki - Executive Director](#)

Newly-appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

Vote Cast: *Oppose*

### [2.10. Elect Kimura Kazuyoshi - 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*

### [2.11. Elect Shigemori Yutaka - 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*

### *2.13. Elect Kuwano Yukinori - Non-Executive Director*

Non-Executive Director. Not considered independent as the candidate's tenure exceeds nine years. There is insufficient independent representation on the Board (less than one-third of the whole Board). Opposition is recommended.

Vote Cast: *Oppose*

## **TAIHEIYO CEMENT CORP AGM - 29-06-2021**

### *3.1. Elect Fukuhara Katsuhide as Corporate Auditor*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

## **KAMIGUMI CO LTD AGM - 29-06-2021**

### *2.1. Elect Kubo Masami - Chair (Executive)*

Executive Chair. It is considered that it is the responsibility of the most senior Board members to ensure that there is appropriate outside oversight of Board decisions. As there is inadequate outside presence on the Board (less than three outside directors), an oppose vote on the most senior directors is recommended.

Vote Cast: *Oppose*

### *2.2. Elect Fukai Yoshihiro - President*

President. It is considered that it is the responsibility of the most senior Board members to ensure that there is appropriate outside oversight of Board decisions. As there is inadequate outside presence on the Board (less than three outside directors), an oppose vote on the most senior directors is recommended.

Vote Cast: *Oppose*

### *4. Elect Reserve Corporate Auditors (JP): Saeki Kuniharu*

The candidate is not independent, and is standing as a substitute corporate auditor and potential replacement for any candidate on the corporate auditor board, as per market practice. Should the candidate be required to serve as substitute for an incumbent, independent outsider, there will be a negative impact on the independence ratio, and therefore an oppose vote is recommended.

Vote Cast: *Oppose*

## ORIENTAL LAND CO LTD AGM - 29-06-2021

### 1. *Appropriation of Surplus*

Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 13 yen per share is proposed, however, the Company made a net loss in the year under review. It is considered unwise to pay a dividend in this instance given the capital maintenance needs of the company.

Vote Cast: *Oppose*

### 3.1. *Elect Kagami Toshio - Chair (Executive)*

Current Chair. It is considered that it is the responsibility of the most senior Board members to ensure that there is appropriate outside oversight of Board decisions. As there is inadequate outside presence on the Board (less than three outside directors), an oppose vote on the most senior directors is recommended.

Vote Cast: *Oppose*

## MITSUBISHI LOGISTICS CORP AGM - 29-06-2021

### 1. *Appropriation of Surplus*

Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 30 yen per share is proposed, and the dividend payout ratio is approximately 13%. which at less than 15%, is below what shareholders could reasonably expect.

Vote Cast: *Oppose*

### 2.7. *Elect Wakabayashi Tatsuo - Non-Executive Director*

Non Executive Director. Not considered independent as the candidate is considered to be connected to a major shareholder, candidate is considered to be connected to an affiliated bank. There is insufficient independent representation on the Board (less than one-third of the whole Board). Opposition is recommended.

Vote Cast: *Oppose*

### 2.8. *Elect Kitazawa Toshifumi - Non-Executive Director*

Non-Executive Director. Not considered independent as the candidate is considered to be connected to a major shareholder, candidate is considered to be connected to an affiliated bank. There is insufficient independent representation on the Board (less than one-third of the whole Board). Opposition is recommended.

Vote Cast: *Oppose*

**TUNG THIH ELECTRONIC CO LTD AGM - 29-06-2021****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. *Approve the Dividend***

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. *Amendment to the Company's " 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*

**4. *Amendment to the Company's " Rules of Procedure for Shareholders' Meetings "***

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. *Amendment to the Company's " Procedures for Election 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*

**6. *Amendment to the Company's "Operational Procedures for Endorsements and Guarantees".***

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*

**MEARS GROUP PLC AGM - 29-06-2021****1. *Receive the Annual Report***

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 99.6, Abstain: 0.4, Oppose/Withhold: 0.0,

## 2. Approve the Remuneration Report

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The change in the CEO salary was in line with the workforce as the CEO salary increase by 2% as the workforce salary. The CEO salary is in the median of the competitor group.

**Balance:**Changes in CEO salary over the last five years are not considered in line with Company financial performance over the same period. The CEO variable pay during the year is not considered excessive at 31.3% of the salary. It is noted that no LTIP award is vested for the year under review.. The ratio of CEO pay compared to average employee pay is slightly above the proposed limit at 21:1. PIRC consider adequate a CEO pay ratio of 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 75.1, Abstain: 1.9, Oppose/Withhold: 23.0,

## 3. Re-appoint Ernst & Young LLP as auditor of the Company

EY proposed. No Non-audit fees were paid for the year under review and Non-Audit fees represents 3.62% 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: 99.6, Abstain: 0.0, Oppose/Withhold: 0.4,

## 5. Re-elect Kieran Murphy - Chair (Non Executive)

Chair. Independent upon appointment. However, as the Company do not have a Sustainability Committee, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. In addition, Mr. Murphy is Chair of the Nomination committee,

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to



higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Furthermore it is noted that Mr. Murphy receive significant opposition in the 2020 AGM of 17.59% of the votes which has not been adequately addressed. Overall opposition is recommended.

Vote Cast: *Oppose*

Results: For: 76.5, Abstain: 0.0, Oppose/Withhold: 23.5,

#### 6. *Re-elect David J. Miles - Chief Executive*

Chief Executive. Acceptable service contract provisions. However, it is noted the director received a significant number of oppose votes of 17.58% at the 2020AGM which has not been adequately addressed. On this basis, an oppose vote is recommended

Vote Cast: *Oppose*

Results: For: 74.7, Abstain: 8.3, Oppose/Withhold: 17.0,

#### 7. *Re-elect Andrew C. M. Smith - Executive Director*

Executive Director. Acceptable service contract provisions. However, it is noted the director received a significant number of oppose votes of 17.66% at the 2020 AGM which has not been adequately addressed. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 76.3, Abstain: 0.0, Oppose/Withhold: 23.7,

#### 8. *Re-elect Alan Long - Executive Director*

Executive Director. Acceptable service contract provisions. However, it is noted the director received a significant number of oppose votes of 17.58% at the 2020 AGM which has not been adequately addressed. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 75.8, Abstain: 0.0, Oppose/Withhold: 24.2,

#### 9. *Re-elect Dame Julia Unwin - Senior Independent Director*

Senior Independent Director. Considered independent. However, it is noted the director received a significant number of oppose votes of 17.58% at the 2020 AGM which has not been adequately addressed. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 76.7, Abstain: 0.0, Oppose/Withhold: 23.3,

#### 10. *Re-elect Jim Clarke - Non-Executive Director*

Independent Non-Executive Director. However, it is noted the director received a significant number of oppose votes of 17.14% at the 2020 AGM which has not been adequately addressed. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 99.6, Abstain: 0.0, Oppose/Withhold: 0.4,

#### 11. *Re-elect Christopher Loughlin - Non-Executive Director*

Independent Non-Executive Director. Independent Non-Executive Director. However, it is noted the director received a significant number of oppose votes of 17.13% at the 2020 AGM which has not been adequately addressed. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 83.3, Abstain: 0.0, Oppose/Withhold: 16.7,

#### 16. *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, it is noted this resolution registered a significant number of oppose votes of 17.98% at the 2020 AGM which has not been adequately addressed. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 80.3, Abstain: 0.0, Oppose/Withhold: 19.7,

### **SAVANNAH PETROLEUM PLC AGM - 30-06-2021**

#### 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*

#### 4. *Issue Shares with Pre-emption Rights*

The authority is limited to one third of the Company's issued share capital. This cap can increase to two-third of the issued share capital if shares are issued in connection with an offer by way of a rights issue. This authority expires at the next AGM. Not all directors are standing for annual re-election and there is no commitment from all the directors to stand for re-election in case this additional authority is used. In the absence of such commitment, an abstain vote is recommended.

Vote Cast: *Abstain*

#### 5. *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*

#### 6. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

## **BACANORA LITHIUM PLC AGM - 30-06-2021**

### ***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. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary for the highest paid director. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. 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*

### ***3. Approve New Executive Share Incentive Scheme***

The Board proposes the approval of a new incentive plan. Under the plan, the CEO and other executives will be awarded options/rights to receive shares, which will start vesting after three years from the date of award. The Company does not disclose clear performance criteria but only a list of indicators, 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*

### ***6. Re-elect Jamie Strauss - Lead Independent Director***

Lead Independent Director. Not considered independent as the director receives remuneration from the Company, in addition to non-executive fees. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, it is noted that the director is the Chair of the Remuneration committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

### ***7. Re-elect Andres Antonius - Non-Executive Director***

Non-Executive Director. Not considered independent as the director receives remuneration from the Company, in addition to non-executive fees. There is insufficient independent representation on the Board. In addition, it is noted that the director is a member of the Remuneration and Audit committees which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

### ***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*

## CREO MEDICAL GROUP PLC AGM - 30-06-2021

### 1. *Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, the Company failed to disclose the proportion of women in Executive Management positions and within the whole organisation. An abstain vote is recommended.

*Vote Cast: Abstain*

### 2. *Re-elect Charles Spicer - Chair*

Chair. Not considered independent as he is currently the Chair of the Board of IXICO plc where John Bradshaw sits as a Director. He also participates in the Company's share option scheme. 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. In addition, it is noted that the director is a member of the Audit committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

### 4. *Reappoint KPMG LLP as the Auditors*

KPMG proposed. Non-audit fees were not paid during the year under review and represented 87.95% 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.

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*

**MOTA-ENGIL SGPS SA AGM - 30-06-2021****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*

**7. Approve the Contracting of One or More Loans, in the Form of Commercial Paper, in Euros or in Another Currency**

It is proposed to approve the contracting of one or more loans, in the form of commercial paper, in Euros or in another currency. 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 or the maximum amount and the duration of the authority was provided, opposition is recommended.

Vote Cast: *Oppose*

**8. Authorize Repurchase and Reissuance of Shares and Authorize Board to Execute Approved Resolution**

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*

**12. Director Indemnity Contracts**

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*

**CHINA LIFE INSURANCE (CHN) AGM - 30-06-2021****5. Approve Remuneration of Directors and Supervisors**

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*

*6. Elect Wang Bin - 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*

*10. Elect Yuan Changqing - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is President and Deputy Secretary to the Party Committee of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*11. Elect Wu Shaohua - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. He is member of the Party Committee of the Groupe and is Chair of China Life Healthcare Investment Company Limited. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*12. Elect Sheng Hetai - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. He is employed as Vice-President of CLIC. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*13. Elect Wang Junhui - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was previously employed by the Company as Executive Director. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*16. Elect Lam Chi Kuen - 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 auditor: Ernst & Young, as a Partner until 2013. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*19. Elect Han Bing as Supervisor*

Non-Employee Representative Supervisor. The supervisor candidate is not considered independent as he is currently employed by the company. There is insufficient independent representation from the Supervisory Board. Opposition is recommended.

*Vote Cast: Oppose*

*20. Elect Niu Kailong as Supervisor*

Non-Employee Representative Supervisor. The supervisor candidate is not considered independent as he is currently employed by the company. There is insufficient independent representation from the Supervisory Board. Opposition is recommended.

*Vote Cast: Oppose*

*21. Approve Renewal of Liability Insurance for Directors, Supervisors and Senior Management*

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*

*24. Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights for H Shares*

The authority sought for 20% of the share capital 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*

**GOOD ENERGY GROUP PLC AGM - 30-06-2021**

*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*

### 9. 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*

### 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*

## KINGFISHER PLC AGM - 30-06-2021

### 2. Approve the Remuneration Report

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The changes in CEO salary are not considered in line with the changes in the average employee salary. For the year under review the CEO salary decrease by -6.7% were all employees salary decrease by -0.6%. The CEO salary is in the median of a peer comparator group

**Balance:**The changes in CEO pay over the last five years are not considered in line with changes in Company's TSR performance over the same period. The changes in the CEO pay were increase by 12.30% for the last five years were the TSR increase by 2.41% for the same period. The variable pay for the year under review was at 68.4% of the salary and is not considered excessive. It is noted that no LTIP award was vested which is commendable. The ratio of CEO pay compared to median employee pay is considered excessive at 78:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 92.5, Abstain: 0.3, Oppose/Withhold: 7.2,

### 13. Re-appoint Deloitte LLP as Auditors

Deloitte proposed. Non-audit fees represented 5.88% of audit fees during the year under review and 6.90% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.0, Oppose/Withhold: 1.2,

### 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. It is noted the resolution registered significant oppose votes of 11.74% at the 2020 AGM which has not been adequately addressed. On his basis, an abstain vote is recommended.



Vote Cast: *Abstain*

Results: For: 90.9, Abstain: 0.3, Oppose/Withhold: 8.8,

**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: 93.6, Abstain: 0.2, Oppose/Withhold: 6.3,

**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: 99.2, Abstain: 0.4, Oppose/Withhold: 0.4,

**PROVIDENT FINANCIAL PLC AGM - 30-06-2021**

**5. Elect Robert East - 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: 98.6, Abstain: 1.3, Oppose/Withhold: 0.0,

**13. Reappoint Deloitte LLP as Auditors**

Deloitte proposed. Non-audit fees represented 11.76% of audit fees during the year under review and 13.51% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

Results: For: 98.6, Abstain: 1.3, Oppose/Withhold: 0.0,

**18. Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment**

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.0, Oppose/Withhold: 2.0,

#### 19. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.6, Abstain: 0.0, Oppose/Withhold: 1.3,

#### 21. *Approve Increase in Limit on Aggregate Fees Payable to Non-Executive 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*

Results: For: 97.6, Abstain: 0.0, Oppose/Withhold: 2.4,

#### 22. *Ratify Current and Former Directors' Fees*

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*

Results: For: 98.6, Abstain: 0.0, Oppose/Withhold: 1.4,

### **SUEZ SA AGM - 30-06-2021**

#### 1. *Approve Financial Statements and Statutory Reports*

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. As abstention is not a valid voting option for this meeting, opposition is recommended.

Vote Cast: *Oppose*

#### 2. *Approve Consolidated Financial Statements and Statutory Reports*

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. As abstention is not a valid voting option for this meeting, opposition is recommended.

Vote Cast: *Oppose*

#### 9. *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*

#### *12. Approve Compensation of Bertrand Camus, CEO*

It is proposed to approve the implementation of the remuneration policy for the CEO. 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*

#### *14. Approve Remuneration Policy of CEO*

It is proposed to approve the remuneration policy for the CEO. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

## 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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