# Iguana Investments Long/Short Equity Fund

Proxy Voting for the year to 30 September 2024

## Annual disclosure (proxy voting) under the Shareholders Rights Directive II

Iguana Investments exercises proxy voting rights on behalf of our clients for every investee company regardless of geographic location. The voting decisions are based on in-depth research and knowledge of the investee company. We believe that exercising voting rights is an important responsibility of institutional shareholders and helps improve corporate governance standards and hold management to account.

Iguana Investments will draw its own conclusions based on its knowledge of the investee company and will vote based on those conclusions, which may be in opposition to the investee's board. If appropriate, we would seek to engage the board prior to voting to explain our conclusions and resolve differences of opinion.

During the period in question the investment manager voted on 667 resolutions:

| Vote Categories | Q3 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Total |
|---|---|---|---|---|---|
| For | 19 | 28 | 283 | 66 | 396 |
| Abstain | 2 | 8 | 19 | 6 | 35 |
| Oppose | 8 | 18 | 166 | 31 | 223 |
| Non-Voting | 0 | 1 | 0 | 0 | 1 |
| Not Supported | 0 | 0 | 1 | 0 | 1 |
| Withhold | 0 | 0 | 11 | 0 | 11 |
| US Frequency Vote on Pay | 0 | 0 | 0 | 0 | 0 |
| Withdrawn | 0 | 0 | 0 | 0 | 0 |
| **Total** | **29** | **55** | **480** | **103** | **667** |

The enclosed report contains details of the proxy voting on a select number of positions in the Fund. A more granular breakdown may be requested form the investment manager via info@iguanainvestments.com

| Period | Meeting Date | Company | Type | Resolutions | For | Abstain | Oppose |
|---|---|---|---|---|---|---|---|
| Q4 2023 | 18-10-2023 | ASHMORE GROUP PLC | AGM | 20 | 13 | 2 | 5 |
| Q4 2023 | 31-10-2023 | DENBURY RESOURCES INC. | EGM | 2 | 1 | 0 | 1 |
| Q4 2023 | 26-10-2023 | SOUTH32 LTD | AGM | 7 | 5 | 0 | 2 |
| Q1 2024 | 14-03-2024 | AP MOLLER - MAERSK AS | AGM | 17 | 8 | 4 | 4 |
| Q1 2024 | 27-02-2024 | LONDONMETRIC PROPERTY PLC | EGM | 1 | 1 | 0 | 0 |
| Q1 2024 | 06-02-2024 | QINETIQ GROUP PLC | EGM | 1 | 0 | 0 | 1 |
| Q2 2024 | 17-06-2024 | BANK OF GEORGIA GROUP PLC | AGM | 20 | 11 | 2 | 7 |
| Q2 2024 | 25-04-2024 | DRAX GROUP PLC | AGM | 21 | 10 | 1 | 10 |
| Q2 2024 | 15-05-2024 | GREGGS PLC | AGM | 18 | 12 | 2 | 4 |
| Q2 2024 | 22-05-2024 | PAYPAL HOLDINGS INC | AGM | 16 | 8 | 1 | 7 |
| Q2 2024 | 02-05-2024 | ITV PLC | AGM | 23 | 17 | 0 | 6 |
| Q2 2024 | 30-04-2024 | SANOFI | AGM | 23 | 18 | 1 | 4 |
| Q2 2024 | 01-05-2024 | SMITH & NEPHEW PLC | AGM | 23 | 13 | 2 | 8 |
| Q2 2024 | 17-04-2024 | TELEVISION FRANCAISE 1 | AGM | 17 | 8 | 1 | 8 |
| Q2 2024 | 16-05-2024 | VISTRY GROUP PLC | AGM | 20 | 11 | 1 | 8 |
| Q2 2024 | 13-06-2024 | ZOOM VIDEO COMMUNICATIONS INC | AGM | 5 | 1 | 1 | 3 |
| Q3 2024 | 19-09-2024 | BABCOCK INTERNATIONAL GROUP PLC | AGM | 21 | 13 | 3 | 5 |
| Q3 2024 | 11-07-2024 | BT GROUP PLC | AGM | 21 | 13 | 0 | 8 |
| Q3 2024 | 25-07-2024 | KYNDRYL HLDGS | AGM | 6 | 3 | 0 | 3 |
| Q3 2024 | 26-09-2024 | LAMB WESTON HOLDINGS INC | AGM | 13 | 8 | 1 | 4 |
| Q3 2024 | 22-07-2024 | LONDONMETRIC PROPERTY PLC | AGM | 19 | 12 | 2 | 5 |

## Notable Oppose Votes Q4 2023

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

### ASHMORE GROUP PLC AGM - 18-10-2023

10. *Approve Remuneration Policy*

Directors are entitled to a dividend income which is accrued on share awards from the date of grant, once the awards vest. Dividend should be paid from the date awards vest onwards, and not backdated to the time of grant to include the performance period. A welcome addition to the LTIP scheme is the use of non-financial performance metrics as a means of assessing individual performance. The use of non-financial conditions enables the policy to focus on the operational performance of the business as a whole as well as the individual roles of each of the executives in achieving that performance. Maximum potential awards for both the Annual Bonus and LTIP are clearly stated. 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 mitigation statement included within the remuneration policy. Vesting scales are considered to be sufficiently broad and geared towards better performance. Total potential awards capable of vesting under the policy exceed the recommended threshold of 200% of the highest paid Director's base salary. Directors are required to build a holding equivalent to at least 200% of salary, over a period of no more than five years. It is considered that a shareholding policy aligns the interests of the Executive to that of the shareholder. The Annual Bonus is deferred. Claw-back provisions are attached to the annual bonus. The deferral period attached to the Annual Bonus is in line with best practice as half of the bonus is deferred in shares over at least two years. The performance period for the LTIP is at least five years and therefore considered sufficiently long-term. Claw-back provisions are in place over long-term incentive plans.

The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). The 'binding' pay policy vote has not been effective. The disappointment with the policy vote comes across in the levels of dissenting votes on remuneration reports, which disclose outcomes under previously agreed policies. When there are contentious circumstances with executives leaving the instrument that really matters is the service contract. As such, the concept of alignment with shareholders' for pay purposes is a fallacy, because the risk and responsibilities are different. Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 82.2, Abstain: 6.4, Oppose/Withhold: 11.4,

# Oppose/Abstain Votes Q4 2023

## ASHMORE GROUP PLC AGM - 18-10-2023

1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

Vote Cast: *Abstain* Results: For: 99.7, Abstain: 0.3, Oppose/Withhold: 0.0,

5. *Re-elect Clive Adamson - Chair (Non Executive)*

Non-Executive Chair of the Board. As the Company do not have a Board level Sustainability Committee, the Chair of the Board is considered accountable for the Company's sustainability programme. As the Company's sustainability policies and practice are not considered adequate to minimise the material risks linked to sustainability an abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 99.1, Abstain: 0.3, Oppose/Withhold: 0.6,

10. *Approve Remuneration Policy*

Directors are entitled to a dividend income which is accrued on share awards from the date of grant, once the awards vest. Dividend should be paid from the date awards vest onwards, and not backdated to the time of grant to include the performance period. A welcome addition to the LTIP scheme is the use of non-financial performance metrics as a means of assessing individual performance. The use of non-financial conditions enables the policy to focus on the operational performance of the business as a whole as well as the individual roles of each of the executives in achieving that performance. Maximum potential awards for both the Annual Bonus and LTIP are clearly stated. 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 mitigation statement included within the remuneration policy. Vesting scales are considered to be sufficiently broad and geared towards better performance. Total potential awards capable of vesting under the policy exceed the recommended threshold of 200% of the highest paid Director's base salary. Directors are required to build a holding equivalent to at least 200% of salary, over a period of no more than five years. It is considered that a shareholding policy aligns the interests of the Executive to that of the shareholder. The Annual Bonus is deferred. Claw-back provisions are attached to the annual bonus. The deferral period attached to the Annual Bonus is in line with best practice as half of the bonus is deferred in shares over at least two years. The performance period for the LTIP is at least five years and therefore considered sufficiently long-term. Claw-back provisions are in place over long-term incentive plans.

The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). The 'binding' pay policy vote has not been effective. The disappointment with the policy vote comes across in the levels of dissenting votes on remuneration reports, which disclose outcomes under previously agreed policies. When there are contentious circumstances with executives leaving the instrument that really matters is the service contract. As such, the concept of alignment with shareholders' for pay purposes is a fallacy, because the risk and responsibilities are different. Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 82.2, Abstain: 6.4, Oppose/Withhold: 11.4,

11. *Approve the Remuneration Report*

Dividend accrual has been separately categorised which is welcome. Awards granted to Directors under the Company's variable remuneration schemes are considered excessive as they exceeded 200% of base salary during the year under review. The Company received significant opposition at the last AGM to its remuneration report. However, it is clear from Company reporting that adequate measures have been taken in order to address shareholder dissent. The CEO's salary is below the upper quartile of a peer comparator group. Total combined variable reward paid during the year is considered excessive, exceeding the 200% recommended threshold. 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 that of the average employee falls below the recommended limit of 20:1 and is therefore not considered to be overly excessive.

The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 87.1, Abstain: 6.4, Oppose/Withhold: 6.5,

12. *Appoint Ernst & Young LLP as the Auditors of the Company*

EY proposed as new auditor. 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: 99.7, 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: 97.8, Abstain: 0.0, Oppose/Withhold: 2.2,

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

## SOUTH32 LTD AGM - 26-10-2023

2B. *Re-Elect Karen Wood*

Non-Executive Chair. Not considered independent due to her former employment in an executive capacity with BHP Billiton. BHP and South32Ltd demerged on 25 May 2015. Appointed Chair on 12 April 2019. There is sufficient independent representation on the Board.
Despite having some climate targets, the company does not have an adequate short-term target. These targets are considered essential for companies that are strategically important for the transition to net zero. Short term emission reductions are required to keep alive the ambition of holding global warming to 1.5 degrees while short term targets are also critical for accountability purposes. Given the time passed since the Paris Agreement and the scale investment risks posed by climate change not having an adequate short term target is considered to fall short of best practice and poses a major risk for investors. As such, an oppose vote is recommended.

Vote Cast: *Oppose*

5. *Approve Equity Grant to Graham Kerr*

The Boards is seeking shareholder approval for the purposes of ASX Listing Rule 10.14 for the grant of the remainder of the STI award (AUD 719,324) in the form of
Rights. Furthermore, it is proposed to approve the grant of a target value of 1,047,894 performance shares under the LTI award to the Chief Executive And Managing Director, under the company's Long-term Incentive Plan. The proposed grant has an approximate value of AUD 3,982,000, which would correspond to more than 200% of the fixed salary, together with other components of the variable remuneration, which is considered to be excessive.
LTIP based schemes are inherently flawed. LTIPs are not considered an effective means of incentivising performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature.

Vote Cast: *Oppose*

## DENBURY RESOURCES INC. EGM - 31-10-2023

2. *Advisory Vote on Executive Compensation in Connection with the Merger*

The board seeks to approve in an advisory vote on merger related compensation for the Company's named executive officers. The Board proposes that the named executives will receive severance made up of a base salary component and an annual bonus component. The severance is subject to double trigger provisions. It is considered that executive severance should be limited to 12 months salary. Due to excessiveness concerns opposition is recommended.

Vote Cast: *Oppose*

## Notable Oppose Votes Q1 2024

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

None

## Oppose/Abstain Votes Q1 2024

**QINETIQ GROUP PLC EGM - 06-02-2024**

1. *Authorise Share Repurchase*

**Introduction & Background:** The Company's strategy is to deliver long-term sustainable growth is unchanged and underpinned by its disciplined capital allocation policy. As explained at the Investor Seminar in October 2023, the Company continuously evaluate the deployment of its capital to maximise value through organic and inorganic investments and to deliver healthy returns for its shareholders, whilst maintaining a prudent balance sheet. During the third quarter the Company continued to manage its pipeline of inorganic opportunities, but at this present time no potential acquisitions meet its rigorous strategy-led and financial criteria. Given the strength of the group's balance sheet, the highly cash generative nature of the business and the Board's view of the current undervaluation of the group, the Board has concluded that now represents a compelling time to return excess capital to shareholders. The Company announce the launch of a GBP 100 million share buyback programme in February 2024, subject to shareholder approval, that it expect to complete over the next 12 months.

**Proposal:** The Company is proposing to seek the authority to purchase ordinary shares in the capital of the Company (Ordinary Shares) up to a limit of 28,937,856 Ordinary Shares (the Buyback Authority), which represents approximately 5% of its issued ordinary share capital. If granted, the directors of the Company will exercise the Buyback Authority only in connection with the programme to purchase Ordinary Shares up to a maximum consideration of GBP 100 million.

**Rationale:** The proposed share buyback programme represents an attractive use of our capital to drive shareholder value, whilst maintaining leverage less than 1.5x (net debt/EBITDA) and maintaining the financial flexibility to invest in the ongoing execution of our strategy to deliver sustainable growth and attractive returns. **Recommendation:** The authority is limited to 5% of the Company's issued share capital and is connected with the announced a GBP 100 million share buyback programme. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how 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,

## AP MOLLER - MAERSK AS AGM - 14-03-2024

B. *Receive the Annual Report*

The financial statements were made available sufficiently before the meeting and has been audited and certified. However, there are some concerns surrounding the board-level governance of sustainability issues, policies and practice. As such, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, but the annual report fails to address these concerns adequately and therefore abstention is recommended. Vote Cast: *Abstain*

C. *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 such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

E. *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 (80% payout for the STIP and 150% for the LTIP). 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*

F.1. *Re-elect Robert Maersk MC Kinney Uggla*

Non-Executive Chair of the Board. The Chair is not considered to be independent as he is the CEO of A.P. Møller Holding A/S and the son of Ane Maersk Mc-Kinney Uggla, member of the founding family and major shareholder. 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. As opposition is not a valid vote option for this resolution, abstention is recommended. Vote Cast: *Abstain*

G. *Appoint PwC as Auditors*

PwC proposed. Non-audit fees represented 0.63% 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. As opposition is not a valid voting outcomes on this resolution, abstention is recommended.

Vote Cast: *Abstain*

H.1. *Approve the Special Dividend*

At this time, the company has not made available the special dividend. Opposition is recommended as this is considered a serious reporting omission

Vote Cast: *Oppose*

H.3. *Approve Indemnification Scheme*

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*

H.4. *Amend Articles*

It is proposed to amend the Articles of Association to instil the proposed indemnification policy outlined in resolution H.3. Given that opposition was recommended on the corresponding indemnification policy, opposition is maintained on this item as well.

Vote Cast: *Oppose*

## Notable Oppose Vote Q2 2024

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

## SANOFI AGM - 30-04-2024

12. *Approve the Remuneration Paid to Paul Hudson, Chief Executive Officer*

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: 85.4, Abstain: 0.0, Oppose/Withhold: 14.6,

20. *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: 89.4, Abstain: 0.0, Oppose/Withhold: 10.6,

## SMITH & NEPHEW PLC AGM - 01-05-2024

2. *Approve Remuneration Policy*

Directors are entitled to a dividend income which is accrued on share awards from the date of grant, once the awards vest. Dividend should be paid from the date awards vest onwards, and not backdated to the time of grant to include the performance period. A welcome addition to the LTIP scheme is the use of non-financial performance metrics as a means of assessing individual performance. The use of non-financial conditions enables the policy to focus on the operational performance of the business as a whole as well as the individual roles of each of the executives in achieving that performance. Maximum potential awards for both the Annual Bonus and LTIP are clearly stated. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. Vesting scales are considered to be sufficiently broad and geared towards better performance. Total potential awards capable of vesting under the policy exceed the recommended threshold of 200% of the highest paid Director’s base salary. Directors are required to build a holding equivalent to at least 500% of salary, for US Executives over a period of no more than five years. It is considered that a shareholding policy aligns the interests of the Executive to that of the shareholder. The Annual Bonus is deferred. Claw-back provisions are attached to the annual bonus. The deferral period attached to the Annual Bonus is in line with best practice as half of the bonus is deferred in shares over at least two years. The performance period for the LTIP is less than five years and is therefore not considered sufficiently

long-term. Claw-back provisions are in place over long-term incentive plans. However, recipients of the award are required to hold their vested shares for at least a further two years, which is welcomed.
The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). The 'binding' pay policy vote has not been effective. The disappointment with the policy vote comes across in the levels of dissenting votes on remuneration reports, which disclose outcomes under previously agreed policies. When there are contentious circumstances with executives leaving the instrument that really matters is the service contract. As such, the concept of alignment with shareholders' for pay purposes is a fallacy, because the risk and responsibilities are different. Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 56.6, Abstain: 0.3, Oppose/Withhold: 43.1,

8. *Re-elect Rupert Soames - Chair (Non Executive)*
Independent 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: 81.7, Abstain: 3.0, Oppose/Withhold: 15.3,

13. *Re-elect Marc Owen - Senior Independent Director*
Senior Independent Director. Considered independent. In addition, Mr. Owen is the Chair of the Compliance & Culture Committee (Sustainability Committee). As the Chair of the f the Compliance & Culture Committee (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: 87.9, Abstain: 0.6, Oppose/Withhold: 11.5,

19. *Approve New Executive Share Option Scheme/Plan*
The Board proposes the approval of a Restricted Share Plan (RSP) for US Executive Directors. Under the plan, the CEO and other executives will be awarded options or rights to receive shares, which will start vesting after three years from the date of award. At this time, it seems that this plan will not be based on any performance criteria but only on the beneficiaries continued employment. As a result, they may receive bonuses unrelated to their performance or even the performance of the Company as a whole, which is considered a serious frustration of shareholder accountability.
LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and

opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose* Results: For: 55.8, Abstain: 0.3, Oppose/Withhold: 43.9,

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 10% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported. 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: 88.2, Abstain: 0.0, Oppose/Withhold: 11.7,

## ITV PLC AGM - 02-05-2024

2. *Approve the Remuneration Report*

Dividend accrual has been separately categorised which is welcome. Awards granted to Directors under the Company's variable remuneration schemes are considered excessive as they exceeded 200% of base salary during the year under review. The CEO's salary is below the upper quartile of a peer comparator group. The total combined variable reward paid during the year falls below the 200% recommended threshold and is therefore not considered to be overly excessive. The ratio of CEO pay compared to that of the average employee exceeds the recommended limit of 20:1 and is therefore not considered appropriate.

The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 74.9, Abstain: 7.9, Oppose/Withhold: 17.1,

3. *Approve Remuneration Policy*

Directors are entitled to a dividend income which is accrued on share awards from the date of grant, once the awards vest. Dividend should be paid from the date awards vest onwards, and not backdated to the time of grant to include the performance period. The LTIP does not utilise non-financial metrics as a means of assessing performance. The absence of Non-financial parameters to assess Executives' long-term performance is considered contrary to best practice as such factors allow the remuneration policy to focus on the operational performance of the business as a whole and the individual roles of each of the senior executives in achieving that performance. Financial parameters are generally beyond an individual director's control. Maximum potential awards for both the Annual Bonus and LTIP are clearly stated. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. A mitigation statement has been made which seeks to limit the amount of any payment or benefits provided to a Director upon leaving the Company should alternative employment be secured. Vesting scales are considered to be sufficiently broad and geared towards better performance. Total potential awards capable of vesting under the policy exceed the recommended threshold of 200% of the highest paid Director's base salary. Directors are required to build a holding equivalent to at least 200% of salary, over a period of no more than five years. It is considered that a

shareholding policy aligns the interests of the Executive to that of the shareholder. The Annual Bonus is deferred. Claw-back provisions are attached to the annual bonus. The deferral period attached to the Annual Bonus is in line with best practice as half of the bonus is deferred in shares over at least two years. The performance period for the LTIP is less than five years and is therefore not considered sufficiently long-term. Claw-back provisions are in place over long-term incentive plans. However, recipients of the award are required to hold their vested shares for at least a further two years, which is welcomed.
The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). The 'binding' pay policy vote has not been effective. The disappointment with the policy vote comes across in the levels of dissenting votes on remuneration reports, which disclose outcomes under previously agreed policies. When there are contentious circumstances with executives leaving the instrument that really matters is the service contract. As such, the concept of alignment with shareholders' for pay purposes is a fallacy, because the risk and responsibilities are different. Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 80.7, Abstain: 7.9, Oppose/Withhold: 11.3,

19. *Issue Shares with Pre-emption Rights*
The authority is limited to 33% of the Company's issued share capital and expires at the next AGM. Within acceptable limits.

Vote Cast: *For* Results: For: 88.5, Abstain: 0.0, Oppose/Withhold: 11.4,

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: 86.4, Abstain: 0.5, Oppose/Withhold: 13.1,

## VISTRY GROUP PLC AGM - 16-05-2024

2. *Approve the Remuneration Report*
Awards granted to Directors under the Company's variable remuneration schemes are considered excessive as they exceeded 200% of base salary during the year under review. The CEO's salary is in the upper quartile of a peer comparator group. This raises concerns over potential excessiveness of the variable incentive schemes currently in operation, as the base salary determines the overall quantum of the remuneration structure. The ratio of CEO pay compared to that of the average employee exceeds the recommended limit of 20:1 and is therefore not considered appropriate.
The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have

unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 82.2, Abstain: 0.0, Oppose/Withhold: 17.8,

3. *Re-elect Gregory Paul Fitzgerald - 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: 78.4, Abstain: 1.1, Oppose/Withhold: 20.5,

## PAYPAL HOLDINGS INC AGM - 22-05-2024

1a. *Elect Rodney C. Adkins - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For* Results: For: 88.4, Abstain: 0.6, Oppose/Withhold: 11.0,

1e. *Elect David W. Dorman - Non-Executive Director*

Independent Non-Executive Director and Chair of the Compensation Committee. It is considered that the Chair of the Compensation Committee is responsible for the company's executive compensation, and owing to concerns with the company's executive compensation, opposition is recommended.

Vote Cast: *Oppose* Results: For: 88.2, Abstain: 0.6, Oppose/Withhold: 11.2,

1g. *Elect Gail J. McGovern - Non-Executive Director*

Non-Executive Director, Chair of the Governance Committee and Member of the Compensation Committee. Not considered to be independent owing to a tenure of over nine years. In terms of best practice, it is considered that the Governance Committee and the Compensation Committee should be comprised exclusively of independent members. Additionally at this time, individual attendance record at board and committee meetings is not disclosed. This prevents shareholders from making an informed assessment on the fulfilment of fiduciary duties and the time that directors commit to the company. It is considered that the chair of governance committee be responsible for inaction in terms of lack of disclosure.

Furthermore, 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.

Additionally, as the Chair of the 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: 88.3, Abstain: 0.5, Oppose/Withhold: 11.1,

2. *Advisory Vote on Executive Compensation*

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

Vote Cast: *Oppose* Results: For: 83.0, Abstain: 0.5, Oppose/Withhold: 16.5,

3. *Approve 2015 Equity Incentive Award Plan, as Amended and Restated*

The Board proposes the approval of the 2015 Equity Incentive Award Plan, as Amended and Restated. 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 Compensation Committee has the exclusive authority to administer the Equity Plan, including the power to determine eligibility, the types and sizes of awards, the price and timing of awards, the acceleration or waiver of any vesting restriction and the authority to delegate such administrative responsibilities. 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: 64.2, Abstain: 0.4, Oppose/Withhold: 35.5,

5. *Shareholder Resolution: Report on Respecting Workforce Civil Liberties*

**Proponent's argument:** National Center for Public Policy Research request the Board of Directors to conduct an evaluation and issue a civil rights and non-discrimination report within the next year, at reasonable cost and excluding proprietary information and disclosure of anything that would constitute an admission of pending litigation, evaluating how the Company's policies and practices impact employees and prospective employees based on their race, color; religion (including religious views), sex, national origin or political views, and the risks those impacts present to the Company's business. Shareholder argues the following: "PayPal, which received an abysmal score of 5% on the Index, goes further from training to practice, injecting illegal considerations of race and sex into every supplier-recruitment decision, thus discriminating against suppliers arbitrarily deemed "non-diverse." And as PayPal actively discriminates against disfavored "non-diverse" people such as whites, men, straight people and religious believers, no such groups are represented by any "employee resource group," while favored "diverse" groups - benefiting from Company discrimination - have a series of surface-characteristic-based lobbying groups. This further indicates systemic discrimination at PayPal against the "non-diverse.". **Company's response:** The board recommended a vote against this proposal. The board argues the following: "As a global company, we believe that the diversity of our workforce enables greater collaboration and innovation as we develop products and services to meet the needs of our diverse customer base globally. [...] The Proposal's supporting statement cites PayPal's score of 5% on the "2023 Viewpoint Diversity Score Business Index." Of the 75 companies rated on this index, the average score is 11% and only one company was rated above 25%. The proponent further claims, inaccurately and without evidence, that "PayPal actively discriminates against disfavored "non-diverse" people such as whites, men, straight people, and religious believers." PayPal's Belonging programs are designed and operated in accordance with applicable laws prohibiting discrimination based on any legally protected characteristic. The proponent further erroneously asserts that "no such groups are represented by any 'employee resource group.'" In fact, our eight employee resource groups are open to all employees and include the Believe group, which promotes the value of faith at work.".

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

Vote Cast: *Oppose* Results: For: 2.1, Abstain: 1.2, Oppose/Withhold: 96.7,

6. *Shareholder Resolution: Bylaw Amendment: Stockholder Approval of Director Compensation*

**Proponent's argument:** Mr. John Chevedden "seeks an independent Board of Directors, one that has as its sole objective representing stockholders without conflict of interest. One interest pertains to compensation and how PayPal compensates directors for board service. Stockholders seek the authority to approve compensation that directors receive from PayPal. [...] Stockholders want and need authority over how and how much PayPal compensates directors. If stockholders approve compensation, then directors have the greatest incentive to work in the sole interest of stockholders. Currently, directors design and approve compensation with no approval from stockholders. Directors receive whatever compensation they desire.".

**Company's response:** The board recommended a vote against this proposal. Shareholders argue the following: "All of PayPal's directors are subject to election on an annual basis, and investors who are concerned about director pay practices could emphasize any views shared in direct dialogue with the Company through a vote on the members of the Compensation Committee, without requiring a separate vote to signal the investor's perspective. These two key communication pathways provide an effective venue for investors to share their views on director compensation. [...] The proponent's proposed bylaw amendment would completely upend the widely-accepted framework for director compensation at public companies and place PayPal at a significant disadvantage in attracting and retaining highly-qualified directors. First, the proposed regime would require advance approval of director compensation, creating enormous uncertainty each year for nominees and incumbent directors as to what, if any, compensation they might receive for their significant commitment of time and effort to serve on our Board, a commitment they would need to make before knowing how they will be compensated.".

**PIRC analysis:** Stockholders, as the ultimate owners of the company, deserve the authority to approve director compensation, enhancing accountability and oversight. This amendment empowers stockholders to participate in crucial decisions regarding director remuneration, fostering a governance structure that reflects their interests. Approving this resolution will strengthen the alignment between director compensation and stockholder interests, promoting transparency and accountability within PayPal's governance framework. Support is recommended.

Vote Cast: *For* Results: For: 3.0, Abstain: 0.8, Oppose/Withhold: 96.1,

# Oppose/Abstain Votes Q2 2024

## TELEVISION FRANCAISE 1 AGM - 17-04-2024

O.5. *Approve the Total Remuneration Awarded to Rodolphe Belmer as Chief Executive Officer until 13 February 2023*

It is proposed to approve the remuneration paid or due to Rodolphe Belmer with a binding 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 the Total Remuneration Awarded to Rodolphe Belmer as Chairman and Chief Executive Officer from 13 February 2023*

It is proposed to approve the remuneration paid or due to Rodolphe Belmer with a binding 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 the Remuneration 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*

O.8. *Approve Remuneration Policy for Rodolphe Belmer as Chairman and Chief Executive Officer*

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 fully 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. *Reappointment of the Company SCDM as Director for a Three-Year Term*
Non-Executive Director. Not considered independent as the director is connected to Bouygues, a significant shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

O.11. *Reappointment of the Company Bouygues as Director for a Three-Year Term*
Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Permanent representative of Bouygues SA. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

O.13. *Acknowledge Election of Directors Representing Employee Shareholders to the Board* There is insufficient independence representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

O.14. *Appoint the Auditors*
EY proposed. No non-audit fees were paid during the year under review and 0.93% 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 five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

O.15. *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*

## DRAX GROUP PLC AGM - 25-04-2024

1. *Receive the Annual Report*
The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately, more specific the continuously used method of production of energy from biomass, which produced by burning wood pellets

is controversial and could lead to an increasingly reputational and financial risk. Therefore an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 99.3, Abstain: 0.4, Oppose/Withhold: 0.3,

2. *Approve the Remuneration Report*

Awards granted to Directors under the Company's variable remuneration schemes are considered excessive as they exceeded 200% of base salary during the year under review. The Company received significant opposition at the last AGM to its remuneration report and has failed to disclose sufficient measures taken to address shareholders' concerns. The CEO's salary is below the upper quartile of a peer comparator group. Total combined variable reward paid during the year is considered excessive, exceeding the 200% recommended threshold. The ratio of CEO pay compared to that of the average employee exceeds the recommended limit of 20:1 and is therefore not considered appropriate.

The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 97.2, Abstain: 0.2, Oppose/Withhold: 2.6,

5. *Re-elect Will Gardiner - Chief Executive*

Chief Executive. As the Company do not have a Board level Sustainability Committee and the Chair of the Board is newly appointed. 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. Furthermore, during the year under review, the company has been accused of avoided sending a sum of GBP 639 million to UK customers via a loophole in the Company's subsidy contract. While no wrongdoing has been identified at this time, there are nevertheless concerns over the potential impact of these allegations. The CE is considered to be accountable for these matters. Overall, opposition is recommended.

Vote Cast: *Oppose* Results: For: 99.4, Abstain: 0.2, Oppose/Withhold: 0.3,

8. *Re-elect Nicola Hodson - 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.

Vote Cast: *Oppose* Results: For: 94.4, Abstain: 0.2, Oppose/Withhold: 5.4,

12. *Re-elect Vanessa Simms - Non-Executive Director*

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

Vote Cast: *Abstain* Results: For: 98.0, Abstain: 0.9, Oppose/Withhold: 1.1,

13. *Appoint PricewaterhouseCoopers LLP as auditor of the Company*

PwC proposed as new auditor. 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: 0.2, Oppose/Withhold: 0.4,

15. *Approve Political Donations*

Although the aggregate limit sought is within acceptable limits, the company has made donations which are deemed to be political during the year. The Group made political donations of GBP 67,274 to support candidates for nomination and/or election to public office. This raises concerns about the potential donation which could be made by the Company under this authority.

Vote Cast: *Oppose* Results: For: 99.4, Abstain: 0.0, Oppose/Withhold: 0.6,

17. *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: 94.8, Abstain: 0.2, Oppose/Withhold: 5.0,

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 10% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 90.0, Abstain: 0.2, Oppose/Withhold: 9.8,

19. *Authorise Share Repurchase*

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

Vote Cast: *Oppose* Results: For: 99.4, Abstain: 0.3, Oppose/Withhold: 0.3,

20. *Approve Drax Group plc 2024 Sharesave Plan*

It is proposed to the shareholders to approve the Company's Sharesave plan. Under the plan eligible to participate are directors or employees of Participating Companies. Awards granted under the Sharesave will be granted as UK tax-advantaged options to acquire Shares (Options) at a price per Share which is not manifestly less than 80% of the market value of a Share (which will normally be calculated as an average over three consecutive business days) on the date of invitation. If the Option will be satisfied using newly issued Shares, the exercise price per Share must not be less than the nominal value of a Share. Options will be granted to each individual submitting a valid application, so long as they are still an employee or Director of a Participating Company at the time of grant. The Company must normally grant Options within 30 days of the first date used to set the exercise price (or within 42 days if applications are scaled down). Options cannot be granted if they would cause the total number of Shares allocated to exceed 10% of the ordinary share capital of the Company in issue. Options will normally only be exercisable during the six-month period following the maturity (known as the 'bonus date') of the relevant savings contract, after all the monthly contributions have been made. Options may only be exercised to the extent of the repayment made under the relevant savings contract. Options may be exercised in whole or part but only on one occasion. To exercise an Option, a participant must specify the number of Shares in respect of which they wish to exercise the Option and pay the aggregate exercise price for those Shares. The Board will then arrange for the delivery of the Shares to the participant.

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

## SMITH & NEPHEW PLC AGM - 01-05-2024

1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

Vote Cast: *Abstain* Results: For: 98.2, Abstain: 1.8, Oppose/Withhold: 0.0,

2. *Approve Remuneration Policy*

Directors are entitled to a dividend income which is accrued on share awards from the date of grant, once the awards vest. Dividend should be paid from the date awards vest onwards, and not backdated to the time of grant to include the performance period. A welcome addition to the LTIP scheme is the use of non-financial performance metrics as a means of assessing individual performance. The use of non-financial

conditions enables the policy to focus on the operational performance of the business as a whole as well as the individual roles of each of the executives in achieving that performance. Maximum potential awards for both the Annual Bonus and LTIP are clearly stated. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. Vesting scales are considered to be sufficiently broad and geared towards better performance. Total potential awards capable of vesting under the policy exceed the recommended threshold of 200% of the highest paid Director's base salary. Directors are required to build a holding equivalent to at least 500% of salary, for US Executives over a period of no more than five years. It is considered that a shareholding policy aligns the interests of the Executive to that of the shareholder. The Annual Bonus is deferred. Claw-back provisions are attached to the annual bonus. The deferral period attached to the Annual Bonus is in line with best practice as half of the bonus is deferred in shares over at least two years. The performance period for the LTIP is less than five years and is therefore not considered sufficiently long-term. Claw-back provisions are in place over long-term incentive plans. However, recipients of the award are required to hold their vested shares for at least a further two years, which is welcomed.
The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). The 'binding' pay policy vote has not been effective. The disappointment with the policy vote comes across in the levels of dissenting votes on remuneration reports, which disclose outcomes under previously agreed policies. When there are contentious circumstances with executives leaving the instrument that really matters is the service contract. As such, the concept of alignment with shareholders' for pay purposes is a fallacy, because the risk and responsibilities are different. Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 56.6, Abstain: 0.3, Oppose/Withhold: 43.1,

3. *Approve the Remuneration Report*

Awards granted to Directors under the Company's variable remuneration schemes are considered excessive as they exceeded 200% of base salary during the year under review. The CEO's salary is in the upper quartile of the peer comparator group(FTSE-350 Health Care). This raises concerns over potential excessiveness of the variable incentive schemes currently in operation, as the base salary determines the overall quantum of the remuneration structure. The total combined variable reward paid during the year falls below the 200% recommended threshold and is therefore not considered to be overly excessive. The ratio of CEO pay compared to that of the average employee exceeds the recommended limit of 20:1 and is therefore not considered appropriate.
The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 97.4, Abstain: 0.1, Oppose/Withhold: 2.6,

8. *Re-elect Rupert Soames - Chair (Non Executive)*
Independent 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: 81.7, Abstain: 3.0, Oppose/Withhold: 15.3,

13. *Re-elect Marc Owen - Senior Independent Director*
Senior Independent Director. Considered independent. In addition, Mr. Owen is the Chair of the Compliance & Culture Committee (Sustainability Committee). As the Chair of the f the Compliance & Culture Committee (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: 87.9, Abstain: 0.6, Oppose/Withhold: 11.5,

14. *Re-elect Angie Risley - 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.

Vote Cast: *Oppose* Results: For: 92.5, Abstain: 0.0, Oppose/Withhold: 7.4,

19. *Approve New Executive Share Option Scheme/Plan*
The Board proposes the approval of a Restricted Share Plan (RSP) for US Executive Directors. Under the plan, the CEO and other executives will be awarded options or rights to receive shares, which will start vesting after three years from the date of award. At this time, it seems that this plan will not be based on any performance criteria but only on the beneficiaries continued employment. As a result, they may receive bonuses unrelated to their performance or even the performance of the Company as a whole, which is considered a serious frustration of shareholder accountability.
LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose* Results: For: 55.8, Abstain: 0.3, Oppose/Withhold: 43.9,

20. *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: 92.9, Abstain: 0.0, Oppose/Withhold: 7.0,

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 10% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported. 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: 88.2, Abstain: 0.0, Oppose/Withhold: 11.7,

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: 99.2, Abstain: 0.1, Oppose/Withhold: 0.7,

## ITV PLC AGM - 02-05-2024

2. *Approve the Remuneration Report*

Dividend accrual has been separately categorised which is welcome. Awards granted to Directors under the Company's variable remuneration schemes are considered excessive as they exceeded 200% of base salary during the year under review. The CEO's salary is below the upper quartile of a peer comparator group. The total combined variable reward paid during the year falls below the 200% recommended threshold and is therefore not considered to be overly excessive. The ratio of CEO pay compared to that of the average employee exceeds the recommended limit of 20:1 and is therefore not considered appropriate.

The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 74.9, Abstain: 7.9, Oppose/Withhold: 17.1,

3. *Approve Remuneration Policy*

Directors are entitled to a dividend income which is accrued on share awards from the date of grant, once the awards vest. Dividend should be paid from the date awards vest onwards, and not backdated to the time of grant to include the performance period. The LTIP does not utilise non-financial metrics as a means of assessing performance. The absence of Non-financial parameters to assess Executives' long-term performance is considered contrary to best practice as such factors allow the remuneration policy to focus on the operational performance of the business as a whole and the individual roles of each of the senior executives in achieving that performance. Financial parameters are generally beyond an individual director's control. Maximum potential awards for both the Annual Bonus and LTIP are clearly stated. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. A mitigation statement has been made which seeks to limit the amount of any payment or benefits provided to a Director upon leaving the Company should alternative employment be secured. Vesting scales are considered to be sufficiently broad and geared towards better performance. Total potential awards capable of vesting under the policy exceed the recommended threshold of 200% of the highest paid Director's base salary. Directors are required to build a holding equivalent to at least 200% of salary, over a period of no more than five years. It is considered that a shareholding policy aligns the interests of the Executive to that of the shareholder. The Annual Bonus is deferred. Claw-back provisions are attached to the annual bonus. The deferral period attached to the Annual Bonus is in line with best practice as half of the bonus is deferred in shares over at least two years. The performance period for the LTIP is less than five years and is therefore not considered sufficiently long-term. Claw-back provisions are in place over long-term incentive plans. However, recipients of the award are required to hold their vested shares for at least a further two years, which is welcomed.

The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). The 'binding' pay policy vote has not been effective. The disappointment with the policy vote comes across in the levels of dissenting votes on remuneration reports, which disclose outcomes under previously agreed policies. When there are contentious circumstances with executives leaving the instrument that really matters is the service contract. As such, the concept of alignment with shareholders' for pay purposes is a fallacy, because the risk and responsibilities are different. Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 80.7, Abstain: 7.9, Oppose/Withhold: 11.3,

9. *Re-elect Andrew Cosslett - Chair (Non Executive)*

Independent Non-Executive 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: 95.9, Abstain: 0.1, Oppose/Withhold: 4.0,

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

PwC proposed. Non-audit fees represented 34.21% of audit fees during the year under review and 12.75% 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: 97.9, Abstain: 0.0, Oppose/Withhold: 2.1,

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: 86.4, Abstain: 0.5, Oppose/Withhold: 13.1,

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: 97.9, Abstain: 0.0, Oppose/Withhold: 2.1,

## VISTRY GROUP PLC AGM - 16-05-2024

1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

Vote Cast: *Abstain* Results: For: 99.3, Abstain: 0.7, Oppose/Withhold: 0.0,

2. *Approve the Remuneration Report*

Awards granted to Directors under the Company's variable remuneration schemes are considered excessive as they exceeded 200% of base salary during the year under review. The CEO's salary is in the upper quartile of a peer comparator group. This raises concerns over potential excessiveness of the variable incentive schemes currently in operation, as the base salary determines the overall quantum of the remuneration structure. The ratio of CEO pay compared to that of the average employee exceeds the recommended limit of 20:1 and is therefore not considered appropriate.

The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 82.2, Abstain: 0.0, Oppose/Withhold: 17.8,

3. *Re-elect Gregory Paul Fitzgerald - 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: 78.4, Abstain: 1.1, Oppose/Withhold: 20.5,

9. *Elect Paul Whetsell - Non-Executive Director*

Independent Non-Executive Director. 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.

Vote Cast: *Oppose* Results: For: 94.3, Abstain: 0.0, Oppose/Withhold: 5.7,

10. *Elect Usman Nabi - Non-Executive Director*

Non-executive Director and Member of the Nomination Committee. Not considered independent as the director is considered to be connected with a significant shareholder: Browning West, where he is founder, Managing Partner and Chief Investment Officer. In terms of best practice, it is considered that the Nomination Committee should be comprised exclusively of independent members. Regardless of the independent representation on the Board as a whole, opposition is recommended.

Vote Cast: *Oppose* Results: For: 97.8, Abstain: 0.0, Oppose/Withhold: 2.1,

13. *Re-appoint PwC as the Auditors*

PwC proposed. Non-audit fees represented 0.00% of audit fees during the year under review and 21.57% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

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

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

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

17. *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: 95.6, Abstain: 0.0, Oppose/Withhold: 4.3,

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 10% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. 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: 0.0, Oppose/Withhold: 4.8,

20. *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: 99.0, Abstain: 0.2, Oppose/Withhold: 0.8,

## PAYPAL HOLDINGS INC AGM - 22-05-2024

1d. *Elect John J. Donahoe - Chair (Non Executive)*

Non-Executive Chair of the Board. The Chair is not considered independent as he served as CEO of eBay Inc., PayPal's former parent company, from July 2008 until the divestiture of Paypal as an independent company in July 2015. 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.

Additionally, the articles of association include provisions allowing for the convening of virtual-only meetings. The decision to remove the ability for shareholders to attend meetings in person is significant and could potentially limit shareholder engagement and transparency. Virtual-only meetings may restrict the ability of shareholders to effectively participate, ask questions, and engage with company management and the board. Shareholders should carefully consider the implications of such amendments and advocate for practices that uphold shareholder rights and promote transparency in corporate governance. We welcome the possibility of hybrid meetings as a way to increase participation and transparency, however virtual-only meetings should not be used lightly and should be restricted only to cases where in-person attendance is impossible due to public health crisis or natural disasters. Without a clear justification, we recommend opposing the Chair of the Board.

Vote Cast: *Oppose* Results: For: 95.1, Abstain: 0.3, Oppose/Withhold: 4.6,

1e. *Elect David W. Dorman - Non-Executive Director*

Independent Non-Executive Director and Chair of the Compensation Committee. It is considered that the Chair of the Compensation Committee is responsible for the company's executive compensation, and owing to concerns with the company's executive compensation, opposition is recommended.

Vote Cast: *Oppose* Results: For: 88.2, Abstain: 0.6, Oppose/Withhold: 11.2,

1g. *Elect Gail J. McGovern - Non-Executive Director*

Non-Executive Director, Chair of the Governance Committee and Member of the Compensation Committee. Not considered to be independent owing to a tenure of over nine years. In terms of best practice, it is considered that the Governance Committee and the Compensation Committee should be comprised exclusively of independent members. Additionally at this time, individual attendance record at board and committee meetings is not disclosed. This prevents shareholders from making an informed assessment on the fulfilment of fiduciary duties and the time that directors commit to the company. It is considered that the chair of governance committee be responsible for inaction in terms of lack of disclosure.

Furthermore, 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.

Additionally, as the Chair of the 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: 88.3, Abstain: 0.5, Oppose/Withhold: 11.1,

1i. *Elect David M. Moffett - Non-Executive Director*

Independent Non-Executive director and Chair of the Audit Committee. At the company, the Audit Committee does not oversee the whistle-blowing hotline. This may increase the risk of such issues not being followed up or escalated which may mean the issue is 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: 97.7, Abstain: 0.5, Oppose/Withhold: 1.8,

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: ADB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose* Results: For: 83.0, Abstain: 0.5, Oppose/Withhold: 16.5,

3. *Approve 2015 Equity Incentive Award Plan, as Amended and Restated*

The Board proposes the approval of the 2015 Equity Incentive Award Plan, as Amended and Restated. 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 Compensation Committee has the exclusive authority to administer the Equity Plan, including the power to determine eligibility, the types and sizes of awards, the price and timing of awards, the acceleration or waiver of any vesting restriction and the authority to delegate such administrative responsibilities. 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: 64.2, Abstain: 0.4, Oppose/Withhold: 35.5,

4. *Appoint the Auditors: PwC LLP*

PwC proposed. Non-audit fees represented 0.20% of audit fees during the year under review and 0.30% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than 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: 93.7, Abstain: 0.4, Oppose/Withhold: 5.8,

5. *Shareholder Resolution: Report on Respecting Workforce Civil Liberties*

**Proponent's argument:** National Center for Public Policy Research request the Board of Directors to conduct an evaluation and issue a civil rights and non-discrimination report within the next year, at reasonable cost and excluding proprietary information and disclosure of anything that would constitute an admission of pending litigation, evaluating how the Company's policies and practices impact employees and prospective employees based on their race, color; religion (including religious views), sex, national origin or political views, and the risks those impacts present to the Company's business. Shareholder argues the following: "PayPal, which received an abysmal score of 5% on the Index, goes further from training to practice, injecting illegal considerations of race and sex into every supplier-recruitment decision, thus discriminating against suppliers arbitrarily deemed "non-diverse." And as PayPal actively discriminates against disfavored "non-diverse" people such as whites, men, straight people and religious believers, no such groups are represented by any "employee resource group," while favored "diverse" groups - benefiting from Company discrimination - have a series of surface-characteristic-based lobbying groups. This further indicates systemic discrimination at PayPal against the "non-diverse.". **Company's response:** The board recommended a vote against this proposal. The board argues the following: "As a global company, we believe that the diversity of our workforce enables greater collaboration and innovation as we develop products and services to meet the needs of our diverse customer base globally. [...] The Proposal's supporting statement cites PayPal's score of 5% on the "2023 Viewpoint Diversity Score Business Index." Of the 75 companies rated on this index, the average score is 11% and only one company was rated above 25%. The proponent further claims, inaccurately and without evidence, that "PayPal actively discriminates

against disfavored "non-diverse" people such as whites, men, straight people, and religious believers." PayPal's Belonging programs are designed and operated in accordance with applicable laws prohibiting discrimination based on any legally protected characteristic. The proponent further erroneously asserts that "no such groups are represented by any 'employee resource group.'" In fact, our eight employee resource groups are open to all employees and include the Believe group, which promotes the value of faith at work.".
**PIRC analysis:** The potential benefits of staff diversity lie in widening the perspectives on human resources brought to bear on decision-making, avoiding too great a similarity of attitude and helping companies understand their workforces as a kaleidoscope of customers, marketplace, supply chain and society as a whole. Disclosure surrounding the company's staff composition allows shareholders to consider diversity in the context of the long-term interests of the company, including the ability to attract and retain key talent. Disclosure of a policy to improve diversity and goals that have been set to meet this policy also reassures shareholders that a diverse board is not just an aspiration but a goal. However, this resolution appears to be filed by a right-wing policy think tanks as a spoiler resolution to prevent other shareholders from filing resolutions regarding the company's diversity and focuses on ideological diversity with the clear intent to ensure that conservative views are represented on the board as well as so-called liberal perspectives. A vote against the resolution is recommended.

Vote Cast: *Oppose* Results: For: 2.1, Abstain: 1.2, Oppose/Withhold: 96.7,

## ZOOM VIDEO COMMUNICATIONS INC AGM - 13-06-2024

2. *Appoint the Auditors*

KPMG proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. The current auditor has been in place for more than 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: BEB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

# Notable Oppose Votes Q3 2024

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

## LAMB WESTON HOLDINGS INC AGM - 26-09-2024

4. *Amend Articles: Approval of an Amendment to the Company's Amended and Restated Certificate of Incorporation to Allow for Exculpation of Officers as Permitted by Delaware Law*

It is proposed that the Restated Certificate of Incorporation of Juniper, is amended, to reflect new Delaware law provisions regarding officer exculpation. The Board seeks authority to amend the articles, to reflect new Delaware law provisions regarding the exculpation of officers. Article VII of the Company's Certificate of Incorporation (Certificate) currently provides for the Company to limit the monetary liability of directors in certain circumstances pursuant to and consistent with the Delaware General Corporation Law (DGCL). The State of Delaware recently amended Section 102(b)(7) of the DGCL to allow Delaware corporations to extend similar protections to officers. Specifically, the amendments to the DGCL allow Delaware corporations to exculpate their officers for personal liability for breaches of the duty of care in certain circumstances.

While efforts to align executive and non-executive liabilities and harmonize corporate articles are acknowledged, decisions taken by executives, may cause significant higher losses compared to those taken by directors. While officers remain liable for lack of fiduciary duty due to wrongful actions committed wilfully, they would nevertheless be exculpated against direct actions, such as class actions. Shareholders could still act via derivative lawsuits, which are however more complex and less lucrative legal avenue since shareholders would bring an action in the name of the corporation and not in the name of shareholders. This could potentially dissuading shareholders from pursuing actions and entrench poorly performing officers. On balance, opposition is recommended.

Vote Cast: *Oppose* Results: For: 89.2, Abstain: 0.4, Oppose/Withhold: 10.5,

# Oppose/Abstain Votes Q3 2024

## BT GROUP PLC AGM - 11-07-2024

2. *Approve the Remuneration Report*

Awards made under all schemes during the year are considered excessive as they exceed 200% of base salary. The CEO's salary is in the upper quartile of a peer comparator group. This raises concerns over potential excessiveness of the variable incentive schemes currently in operation, as the base salary determines the overall quantum of the remuneration structure. The ratio of CEO pay compared to that of the average employee exceeds the recommended limit of 20:1 and is therefore not considered appropriate. The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 98.1, Abstain: 0.0, Oppose/Withhold: 1.9,

4. *Re-elect Adam Crozier - Chair (Non Executive)*

Independent Non-Executive 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: 99.1, Abstain: 0.0, Oppose/Withhold: 0.8,

7. *Re-elect Ruth Cairnie - Senior Independent Director*

Senior Independent 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.

Vote Cast: *Oppose* Results: For: 99.0, Abstain: 0.0, Oppose/Withhold: 0.9,

12. *Elect Raphael Kübler - Non-Executive Director*

Non-Executive Director. Not considered independent as Mr. Raphael Kübler is representing Deutsche Telekom AG a significant shareholder of the Company. There is sufficient independent representation on the Board. However, Mr. Raphael Kübler is member of the Nomination Committee. In terms of best practice, it is considered that the Nomination Committee should be comprised exclusively of independent members. Regardless of the independent representation on the Board as a whole, opposition is recommended.

Vote Cast: *Oppose* Results: For: 98.2, Abstain: 0.0, Oppose/Withhold: 1.7,

14. *Re-appoint KPMG LLP as the Auditors of the Company*

KPMG proposed. Non-audit fees represented 0.16% of audit fees during the year under review and 0.37% 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: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,

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: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,

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: 0.0, Oppose/Withhold: 0.8,

21. *Approve Political Donations*

Although the aggregate limit sought is within acceptable limits, the company has made donations which are deemed to be political during the year. The Group made political donations of GBP 9,343 to support candidates for nomination and/or election to public office. This raises concerns about the potential donation which could be made by the Company under this authority.

Vote Cast: *Oppose* Results: For: 98.7, Abstain: 0.3, Oppose/Withhold: 1.0,

## LONDONMETRIC PROPERTY PLC AGM - 22-07-2024

1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

Vote Cast: *Abstain* Results: For: 99.4, Abstain: 0.6, Oppose/Withhold: 0.0,

2. *Approve the Remuneration Report*

Awards granted to Directors under the Company's variable remuneration schemes are considered excessive as they exceeded 200% of base salary during the year under review. The CEO's salary is below the lower quartile of a peer comparator group. The ratio of CEO pay compared to that of the average employee falls below the recommended limit of 20:1 and is therefore not considered to be overly excessive. The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose* Results: For: 93.2, Abstain: 0.1, Oppose/Withhold: 6.7,

3. *Re-appoint Deloitte as the Auditors*

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

Vote Cast: *Oppose* Results: For: 96.9, Abstain: 0.1, Oppose/Withhold: 3.1,

7. *Re-elect Alistair Elliott - Chair (Non Executive)*

Chair. Independent upon appointment. As there is no 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: 97.7, Abstain: 0.5, Oppose/Withhold: 1.8,

16. *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: 98.5, Abstain: 0.1, 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 10% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. 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: 0.2, Oppose/Withhold: 4.2,

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: 99.4, Abstain: 0.2, Oppose/Withhold: 0.4,

IGUANA INVESTMENTS

## KYNDRYL HLDGS AGM - 25-07-2024

1b. *Re-elect Stephen Hester - Lead Independent Director*

Independent Lead Director and Chair of the Nominating and Governance 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*

1d. *Re-elect Martin J. Schroeter - 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.

The articles of association include provisions allowing for the convening of virtual-only meetings. The decision to remove the ability for shareholders to attend meetings in person is significant and could potentially limit shareholder engagement and transparency. Virtual-only meetings may restrict the ability of shareholders to effectively participate, ask questions, and engage with company management and the board. Shareholders should carefully consider the implications of such amendments and advocate for practices that uphold shareholder rights and promote transparency in corporate governance. We welcome the possibility of hybrid meetings as a way to increase participation and transparency, however virtual-only meetings should not be used lightly and should be restricted only to cases where in-person attendance is impossible due to public health crisis or natural disasters. Without a clear justification, we recommend opposing the Chair of the Board. 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: ADA. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

## BABCOCK INTERNATIONAL GROUP PLC AGM - 19-09-2024

1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

Vote Cast: *Abstain* Results: For: 98.0, Abstain: 2.0, Oppose/Withhold: 0.0,

2. *Approve the Remuneration Report*

Directors are entitled to a dividend income which is accrued on share awards from the date of grant, once the awards vest. Dividend should be paid from the date awards vest onwards, and not backdated to the time of grant to include the performance period. It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. Maximum potential awards for both the Annual Bonus and LTIP are clearly stated. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. A mitigation statement has been made which seeks to limit the amount of any payment or benefits provided to a Director upon leaving the Company should alternative employment be secured. Vesting scales are considered to be sufficiently broad and geared towards better performance. Total potential awards capable of vesting under the policy exceed the recommended threshold of 200% of the highest paid Director's base salary. Directors are required to build a holding equivalent to at least 200% of salary, over a period of no more than five years. It is considered that a shareholding policy aligns the interests of the Executive to that of the shareholder. The Annual Bonus is deferred. Claw-back provisions are attached to the annual bonus. The deferral period attached to the Annual Bonus is in line with best practice as half of the bonus is deferred in shares over at least two years. The performance period for the LTIP is less than five years and is therefore not considered sufficiently long-term. Claw-back provisions are in place over long-term incentive plans. However, recipients of the award are required to hold their vested shares for at least a further two years, which is welcomed. The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'. Given concerns with Remuneration practises at the Company, it is recommended to oppose the Remuneration Report.

Vote Cast: *Oppose* Results: For: 96.0, Abstain: 1.1, Oppose/Withhold: 2.9,

4. *Re-elect Ruth Cairnie - Chair (Non Executive)*

Independent Non-Executive Chair of the Board and Chair of the Nomination Committee. Non-Executive Chair of the Board. As there is no Board-level Sustainability Committee at the Company, the Chair of the Board is considered accountable for the Company's sustainability programme. As the Company's sustainability policies and practice are not considered adequate to minimise the material risks linked to sustainability an abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 97.6, Abstain: 1.9, Oppose/Withhold: 0.6,

5. *Re-elect Carl-Peter Forster - Senior Independent Director*

Senior Independent Director and Chair of the Remuneration Committee. Considered independent. It is considered that the Chair of the Remuneration Committee is responsible for the company's remuneration report, and owing to concerns with the company's remuneration report, opposition is recommended.

Vote Cast: *Oppose* Results: For: 91.8, Abstain: 1.1, Oppose/Withhold: 7.1,

6. *Re-elect Lucy Dimes - Non-Executive Director*

Independent Non-Executive Director. The director holds an executive position at another public listed company. This arrangement may compromise their ability to devote sufficient attention and impartiality to their duties within the current organization, ultimately undermining effective governance and decision-making. Abstention is recommended.

Vote Cast: *Abstain* Results: For: 97.7, Abstain: 1.9, Oppose/Withhold: 0.5,

18. *Amendments to and Approval of the Babcock Approved Employee Share Ownership*

The Group also operates the Babcock Employee Share Plan which allows employees to contribute up to £150 per month to the fund, which then purchases shares on the open market on the employees' behalf. The Group provides matching shares, purchased on the open market, of one share for every 10 purchased by the employee. During the year the Group bought 116,711 matching shares (2023: 140,340 matching shares) at a cost of £0.4 million (2023: £0.4 million). The Group also operates the Babcock Employee Share Plan International which reflects the structure of the UK Plan. During the year no matching shares were purchased on the open market (2023: no matching shares) and 2,192 matching shares vested (2023: 1,055 matching shares) leaving a balance of 3,726 matching shares (2023: 5,918 matching shares). On the other hand, executives are also among the beneficiaries, and therefore opposition is recommended.

Vote Cast: *Oppose* Results: For: 97.0, Abstain: 1.1, Oppose/Withhold: 1.9,

19. *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: 92.1, Abstain: 0.0, Oppose/Withhold: 7.9,

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

## LAMB WESTON HOLDINGS INC AGM - 26-09-2024

1b. *Elect Charles A. Blixt - Non-Executive Director*

Non Executive Director and Chair of the Governance Committee. Not considered to be independent as owing to a tenure of over nine years. In terms of best practice, it is considered that the Governance Committee should be comprised exclusively of independent members, including the chair.

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. As the Chair of the Governance Committee is not up for election, opposition is recommended to the members of the Committee.

As the Chair of the 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: 96.2, Abstain: 0.3, Oppose/Withhold: 3.4,

1e. *Elect Andre J. Hawaux - Non-Executive Director*

Non-Executive Director and Chair of the Audit Committee. Not considered independent as he held executive positions at Conagra Brands, from which the Company was spin-off in November 2016. It is considered that audit committees should be comprised exclusively of independent members, including the chair.

Vote Cast: *Oppose* Results: For: 98.8, Abstain: 0.2, Oppose/Withhold: 1.0,

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: ACB. Based on this rating, abstention is recommended.

Vote Cast: *Abstain* Results: For: 93.3, Abstain: 0.4, Oppose/Withhold: 6.3,

3. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 7.70% of audit fees during the year under review and 12.77% 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: 99.3, Abstain: 0.2, Oppose/Withhold: 0.6,

4. *Amend Articles: Approval of an Amendment to the Company's Amended and Restated Certificate of Incorporation to Allow for Exculpation of Officers as Permitted by Delaware Law*

It is proposed that the Restated Certificate of Incorporation of Juniper, is amended, to reflect new Delaware law provisions regarding officer exculpation. The Board seeks authority to amend the articles, to reflect new Delaware law provisions regarding the exculpation of officers. Article VII of the Company's Certificate of Incorporation (Certificate) currently provides for the Company to limit the monetary liability of directors in certain circumstances pursuant to and consistent with the Delaware General Corporation Law (DGCL). The State of Delaware recently amended Section 102(b)(7) of the DGCL to allow Delaware corporations to extend similar protections to officers. Specifically, the amendments to the DGCL allow Delaware corporations to exculpate their officers for personal liability for breaches of the duty of care in certain circumstances.

While efforts to align executive and non-executive liabilities and harmonize corporate articles are acknowledged, decisions taken by executives, may cause significant higher losses compared to those taken by directors. While officers remain liable for lack of fiduciary duty due to wrongful actions committed wilfully, they would nevertheless be exculpated against direct actions, such as class actions. Shareholders could still act via derivative lawsuits, which are however more complex and less lucrative legal avenue since shareholders would bring an action in the name of the corporation and not in the name of shareholders. This could potentially dissuading shareholders from pursuing actions and entrench poorly performing officers. On balance, opposition is recommended.

Vote Cast: *Oppose* Results: For: 89.2, Abstain: 0.4, Oppose/Withhold: 10.5,