



Nottinghamshire CC Pension Fund

PROXY VOTING REVIEW

PERIOD 1st October 2019 to 31st December 2019

Contents

1 Resolution Analysis	3
1.1 Number of meetings voted by geographical location	3
1.2 Number of Resolutions by Vote Categories	3
1.3 Number of Votes by Region	4
1.4 Votes Made in the Portfolio Per Resolution Category	4
1.5 Votes Made in the UK Per Resolution Category	5
1.6 Votes Made in the US Per Resolution Category	6
1.7 Votes Made in the EU Per Resolution Category	7
1.8 Votes Made in the GL Per Resolution Category	8
1.9 Geographic Breakdown of Meetings All Supported	9
1.10 List of all meetings voted	10
2 Notable Oppose Vote Results With Analysis	11
3 Oppose/Abstain Votes With Analysis	15
4 Appendix	23

1 Resolution Analysis

- Number of resolutions voted: 96 (note that it MAY include non-voting items).
- Number of resolutions supported by client: 65
- Number of resolutions opposed by client: 27
- Number of resolutions abstained by client: 1
- Number of resolutions Non-voting: 3
- Number of resolutions Withheld by client: 0
- Number of resolutions Not Supported by client: 0

1.1 Number of meetings voted by geographical location

Location	Number of Meetings Voted
UK & BRITISH OVERSEAS	5
EUROPE & GLOBAL EU	2
JAPAN	3
TOTAL	10

1.2 Number of Resolutions by Vote Categories

Vote Categories	Number of Resolutions
For	65
Abstain	1
Oppose	27
Non-Voting	3
Not Supported	0
Withhold	0
US Frequency Vote on Pay	0
Withdrawn	0
TOTAL	96

1.3 Number of Votes by Region

	For	Abstain	Oppose	Non-Voting	Not Supported	Withhold	Withdrawn	US Frequency Vote on Pay	Total
UK & BRITISH OVERSEAS	39	1	15	0	0	0	0	0	55
EUROPE & GLOBAL EU	2	0	7	3	0	0	0	0	12
JAPAN	24	0	5	0	0	0	0	0	29
TOTAL	65	1	27	3	0	0	0	0	96

1.4 Votes Made in the Portfolio Per Resolution Category

	Portfolio							
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn	
All Employee Schemes	0	0	1	0	0	0	0	0
Annual Reports	1	1	6	0	0	0	0	0
Articles of Association	3	0	0	0	0	0	0	0
Auditors	5	0	0	0	0	0	0	0
Corporate Actions	2	0	0	0	0	0	0	0
Corporate Donations	0	0	1	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0	0
Directors	39	0	8	0	0	0	0	0
Dividend	3	0	1	0	0	0	0	0
Executive Pay Schemes	1	0	2	0	0	0	0	0
Miscellaneous	2	0	1	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0	0
Non-Voting	0	0	0	3	0	0	0	0
Say on Pay	0	0	0	0	0	0	0	0
Share Capital Restructuring	1	0	0	0	0	0	0	0
Share Issue/Re-purchase	6	0	7	0	0	0	0	0
Shareholder Resolution	2	0	0	0	0	0	0	0

1.5 Votes Made in the UK Per Resolution Category

	UK						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
Annual Reports	1	0	1	0	0	0	0
Remuneration Reports	0	1	2	0	0	0	0
Remuneration Policy	0	0	3	0	0	0	0
Dividend	1	0	0	0	0	0	0
Directors	19	0	2	0	0	0	0
Approve Auditors	2	0	0	0	0	0	0
Share Issues	5	0	0	0	0	0	0
Share Repurchases	0	0	2	0	0	0	0
Executive Pay Schemes	0	0	1	0	0	0	0
All-Employee Schemes	0	0	1	0	0	0	0
Political Donations	0	0	1	0	0	0	0
Articles of Association	2	0	0	0	0	0	0
Mergers/Corporate Actions	2	0	0	0	0	0	0
Meeting Notification related	1	0	0	0	0	0	0
All Other Resolutions	5	0	2	0	0	0	0
Shareholder Resolution	1	0	0	0	0	0	0

1.6 Votes Made in the US Per Resolution Category

US/Global US & Canada

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

1.7 Votes Made in the EU Per Resolution Category

	EU & Global EU						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	0	0	0	0	0	0	0
Articles of Association	0	0	0	0	0	0	0
Auditors	1	0	0	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	0	0	2	0	0	0	0
Dividend	0	0	0	0	0	0	0
Executive Pay Schemes	0	0	0	0	0	0	0
Miscellaneous	1	0	1	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	3	0	0	0
Say on Pay	0	0	0	0	0	0	0
Share Capital Restructuring	0	0	0	0	0	0	0
Share Issue/Re-purchase	0	0	4	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0

1.8 Votes Made in the GL Per Resolution Category

Global

	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	0	0	0	0	0	0	0
Articles of Association	1	0	0	0	0	0	0
Auditors	0	0	0	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	20	0	4	0	0	0	0
Dividend	2	0	1	0	0	0	0
Executive Pay Schemes	1	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	0	0	0	0
Say on Pay	0	0	0	0	0	0	0
Share Capital Restructuring	0	0	0	0	0	0	0
Share Issue/Re-purchase	0	0	0	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0

1.9 Geographic Breakdown of Meetings All Supported

SZ

Meetings	All For	AGM	EGM
0	0	0	0

AS

Meetings	All For	AGM	EGM
0	0	0	0

UK

Meetings	All For	AGM	EGM
5	1	0	1

EU

Meetings	All For	AGM	EGM
2	0	0	0

SA

Meetings	All For	AGM	EGM
0	0	0	0

GL

Meetings	All For	AGM	EGM
0	0	0	0

JP

Meetings	All For	AGM	EGM
3	1	1	0

US

Meetings	All For	AGM	EGM
0	0	0	0

TOTAL

Meetings	All For	AGM	EGM
10	2	1	1

1.10 List of all meetings voted

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
PRUDENTIAL PLC	15-10-2019	EGM	2	2	0	0
BHP GROUP PLC	17-10-2019	AGM	22	16	1	5
GALAPAGOS NV	22-10-2019	EGM	8	1	0	4
SMITHS GROUP PLC	13-11-2019	AGM	21	15	0	6
BOVIS HOMES GROUP PLC	02-12-2019	EGM	8	6	0	2
WHITBREAD PLC	06-12-2019	EGM	2	0	0	2
CYBER AGENT LTD	13-12-2019	AGM	16	12	0	4
OPEN HOUSE CO LTD	18-12-2019	AGM	3	3	0	0
OBARA GROUP INC	20-12-2019	AGM	10	9	0	1
ILIAD	20-12-2019	EGM	4	1	0	3

2 Notable Oppose Vote Results With Analysis

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

BHP GROUP PLC AGM - 17-10-2019

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

The Australasian Centre for Corporate Responsibility (ACCR), proposes to insert a new clause on the Constitution of the Company, stating that "The shareholders in general meeting may be ordinary resolution express an opinion, ask for information, or make a request, about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised". However, such a resolution must relate to an issue of material relevance to the company or the company's business as identified by the company, and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company. The Board respond is that the proposed resolution is not in the interest of the shareholders since under the Constitution of BHP Group Limited and the Articles of Association of BHP Group Plc, the power to manage BHP's business is vested in Directors. Directors are required by law to act in the best interests of the Company at all times. BHP does not agree that the proposed amendment to the Constitution will extend rights to shareholders of BHP Group Limited which are already enjoyed by shareholders of BHP Group Plc. There are additional requirements and thresholds that apply when shareholders seek to requisition resolutions under UK law that are not included in the proposed amendment, and do not otherwise apply under Australian law. The Board takes in account the shareholders views which are able to ask questions about or make comments on the management of BHP at any time, including at the AGMs. Further, if shareholders disapprove of actions taken by the Directors, shareholders can refuse to re-elect them or remove them from office by ordinary resolution.

It is considered the right of shareholders to place ordinary resolutions on the agenda of a shareholder meeting and is also considered in line with the best practice. Support is recommended.

Vote Cast: *For*

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

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

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

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

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

The proposal is advisory and is considered adequately worded to respect the prerogatives of the board. It is considered that the proposal does not mean to undermine the past work of the Company in this respect, or the positive role of these associations in some aspects. Steps forward are encouraging, and BHP has demonstrated ability to monitor and act, when the work of associations (such as the World Coal Association) have come into conflict with the Company's support of the Paris Agreement. In this sense, a vote in favour is recommended as a way to show shareholders' support for the Board efforts to oversee and manage its relationships with industry associations, whose positioning may not align with either the position adopted by the Company or the interests of long-term investors.

Vote Cast: *For*

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

BOVIS HOMES GROUP PLC EGM - 02-12-2019

3. Approve New Long Term Incentive Plan

The Board proposes the approval of an amended long-term incentive plan. Under the plan, the CEO and other executives will be awarded rights to shares, a portion (or all) of which will vest depending on the achievement of some performance criteria. The amendments include: Pension will be set in line with the wider workforce level for new executive Directors and existing executive Directors taking on new roles. In accordance with the policy, Long Term Incentive Plan ("LTIP") incentive maximum to be set at 200 per cent. of base salary, which is considered to be excessive in aggregate with the annual bonus cap. LTIP awards vest on the third anniversary of the date of the grant, which is not considered to be sufficiently long-term.

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

Vote Cast: *Oppose*

Results: For: 69.1, Abstain: 0.0, Oppose/Withhold: 30.9,

4. Approve Remuneration Policy

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

Vote Cast: *Oppose*

Results: For: 65.4, Abstain: 0.0, Oppose/Withhold: 34.5,

WHITBREAD PLC EGM - 06-12-2019

1. *Approve Revised Remuneration Policy*

The Board of Directors proposes the following changes; (i) Increase in maximum opportunity for the Annual Bonus from 167% to 200% of the salary; (ii) Replacement of the Long-Term Incentive Award with a new Restricted Share Plan (RSP); (iii) Pension contributions rates for new joining Executive Directors reduced to 10% in order to bring them in line with the wider workforce. Contribution rates for incumbent Executive Directors are being phased down over the next three years to 15% of salary with the first reduction in May 2020 to 21.5%. The total potential awards under all incentive schemes are considered excessive at 325% of salary. It is noted that the RSP awards to be granted in the financial year 2020/21 will be subject to the following performance underpins; the company's average Lease-adjusted net debt to funds from operations leverage ratio being less than 4.5x; and the company's average return on capital employed for the UK business to be at least equal to the weighted cost of capital plus 1%. The Best practice is for performance conditions to operate interdependently, with at least one performance condition being non-financial. Dividend equivalents may be permitted under the plan, Such payments misalign shareholder and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. Malus and clawback provisions apply. However, it is noted the committee may change a performance target or underpin from time to time to take account of legal changes or to obtain or retain favourable tax, regulatory or exchange control treatment or in event that it considers it fair and reasonable to do so. Although the company states that any change to an existing performance target under the LTIP or underpin under the RSP must not have the effect, in the opinion of the committee, of making the target or underpin materially easier or materially more difficult to achieve than it was when the award was initially granted. Some of these discretion have the potential to raise concerns over the remuneration structure. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 70.3, Abstain: 0.2, Oppose/Withhold: 29.5,

2. *Approve Restricted Share Plan*

The board seeks shareholder approval for the adoption of the rules for the new Restricted Share Plan (the "RSP"). The Company's existing long-term incentive arrangement for the Company's Executive Directors and other selected senior management is the LTIP, and the Company further adopted the Whitbread Performance Share Plan in 2018 in relation to the then proposed demerger of Costa from the Whitbread business. Following the sale of Costa, and in light of the growth strategy in the UK and Germany, the Company has undertaken a review of its remuneration strategy and the LTIP, and concluded that shareholder authority should be obtained to approve the RSP. It is noted the awards may take the form of a conditional award, which is a deferred right to receive ordinary shares in the Company, a nil-cost option, which is similar to a conditional award but under which the participant has an exercise period during which he can choose when to receive the Shares, a restricted award, under which the participant will become the owner of the Shares at the time of grant on terms that the Shares will be forfeited if the conditions specified at the time of grant are not met and SAR award, which is a right to receive a cash payment linked to the value of a specified number of Shares. The awards may be granted within 42 days beginning on the date on which the RSP is approved by the Company in general meeting and the date on which any dealing restrictions prohibiting grant during the period set out in are lifted. Awards for the Executives Directors are subject to performance underpins which for the first year are: average lease adjusted net debt to funds and average return on capital employed for the UK business over the three-year period. The awards granted to the Executives are measured over a period of three years. The Restricted Share Plan will have the following limits, The aggregate nominal amount of Shares that may be allocated under the RSP may not exceed 10% of the equity share capital of the Company. The aggregate nominal amount of Shares that may be allocated under the RSP and any other discretionary employee share plan may not exceed 5% of the equity share capital of the Company. Plans to increase employee shareholding are considered to be a positive governance practice, as they can contribute to alignment between employees and shareholders. On the other hand, executives are also among the beneficiaries. The proposed Plan have no non-financial criteria. The absence of Non-financial parameters to assess Executives' long-term performance is considered contrary to the 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. The performance period is three years which is not considered sufficiently long-term. However, a two year post-vesting holding period applies which is welcomed. It should be noted that 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. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 69.7, Abstain: 0.2, Oppose/Withhold: 30.1,

3 Oppose/Abstain Votes With Analysis

BHP GROUP PLC AGM - 17-10-2019

1. *Receive the Annual Report*

The Strategic Review is considered adequate. There are adequate environmental and employment policies in place. Quantified environmental data has been published. It is noted that the Company has not provided shareholders with an opportunity to approve dividends paid during the year. Given the lack of opportunity to approve the dividend, it is recommended to oppose.

Vote Cast: *Oppose*

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

6. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

7. *Approve Remuneration Policy*

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

Vote Cast: *Oppose*

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

8. *Approve Directors' annual report on remuneration*

Disclosure: All elements of the Single Total Remuneration Table are adequately disclosed. Performance conditions and past targets for the annual bonus are adequately disclosed. Share incentive awards are disclosed along with face value of awards. CEO's salary did not change from last year, while the change in salary for Australian employees was an increase of 2.1%. The CEO's salary is in the upper quartile of the Company's comparator group.

Balance: Total variable pay for the year under review was not excessive, amounting to 76 % of salary for the CEO (Annual Bonus 76% and LTIP 0%), CEO pay in the last five years are considered in line with changes in TSR during the same period. The CEO pay decline by 5.22% where the TSR increase by 13.28% for the period

from 30-06-2015 to 30-06-2019. The ratio of CEO pay compared to average employee pay is not acceptable at 24:1, it is recommended that the ratio does not exceed 20:1

Rating: AC

Vote Cast: *Abstain*

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

9. *Approval of the Remuneration Report*

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

An oppose vote is therefore recommended.

Vote Cast: *Oppose*

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

10. *Approve Equity Grant to Executive Director*

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

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

An oppose vote is recommended.

Vote Cast: *Oppose*

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

GALAPAGOS NV EGM - 22-10-2019

S.1. *Elect Daniel O'Day*

Non-Executive Director. Not considered independent as the director is Chair and CEO of Gilead Sciences Inc, a significant shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

S.2. *Elect Linda Higgins*

Non-Executive Director. Not considered independent as the director is Executive in Gilead Sciences, Inc, a significant shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

E.3. Approval of the issuance of two warrants for the benefit of Gilead Therapeutics

It is proposed to approve the issuance of two Warrants for the benefit of Gilead Therapeutics. This proposal is made in accordance with the terms of the Subscription Agreement, which included a commitment to make a proposal to the shareholders' meeting to issue two warrants allowing Gilead Therapeutics to further increase its ownership in the Company and to cancel the preferential subscription right of the existing shareholders of the Company.

Two types of Warrants shall be issued Warrant A and Warrant B. The Initial Warrant A has a term starting as of the date of this resolution and ending at 11:59 p.m. on the date which falls on (1) year after the date of this resolution. The Initial Warrant B has a term starting as of the date of this resolution and ending at 11:59 p.m. on the date which falls five (5) year after 23 August 2019. The Warrants can be exercised at one or several occasions during their entire term, but not more than once per period of three (3) months.

The Exercise Price on the initial Warrant A will be equal to EUR 140.59, the exercise price for the Warrant B will be equal or greater of (i) 120% multiplied by the arithmetic mean of the daily volume weighted average trading price of the Company's shares as traded on Euronext Brussels and Euronext Amsterdam on each of the trading days during the period of 30 calendar days ending on the calendar day immediately preceding the date of the Exercise Notice (as defined in the Conditions) with respect to such exercise, and (ii) EUR 140.59. The above mentioned Exercise Prices of EUR 140.59 are the same as the issue price of the 6,828,985 new shares that were issued to Gilead Therapeutics on 23 August 2019 and represent a 20% premium as compared to the average of the volume weighted average prices of the Company's shares on the regulated market of Euronext.

The Warrants entitle the holder thereof to subscribe, during the entire term of the respective Warrant, upon each exercise of a Warrant, for a maximum number of shares that is sufficient to bring the number of shares owned by Gilead Therapeutics, Gilead Sciences and any of their affiliates to 25.1% for initial Warrant A and 29.9% for initial Warrant B. For clarity the overall shareholding from the full exercise of Initial Warrant A and Initial Warrant B shall in aggregate not exceed 29.9%. The Warrants will be allocated to Gilead Therapeutics, and can only be subscribed for by Gilead Therapeutics. The new shares to be issued upon each exercise of the Warrant shall have the same rights and benefits in all including entitlement to dividends and other distribution, within existing shares of the Company.

This is considered an anti-takeover measure which can be used to entrench under performing management. On this basis, opposition is recommended.

Vote Cast: Oppose

E.5. Authorize the increase of the share Capital

Authority is sought to issue shares without pre-emptive rights to an amount of more than 20% of the share capital, which is deemed excessive. The authority is also requested for five years, while it is considered that shareholders should vote on authorities without pre-emptive rights annually. Opposition is recommended.

Vote Cast: Oppose

SMITHS GROUP PLC AGM - 13-11-2019

2. Approve the Remuneration Report

Disclosure: All elements of each director cash remuneration and pension provisions are disclosed. Performance targets are disclosed for both, annual bonus scheme and long term incentives. Dividends accrual are not separately disclosed. During the year the CEO's salary increased by 2.5% which is in line with that of the general work-force. The CEO's salary is considered to be in upper quartile of comparator group

Balance: The balance of CEO realized pay with financial performance is considered acceptable as the change in CEO total pay over the last five years is aligned to the change in TSR over the same period. Over the five-year period average annual increase in CEO pay has been approximately 5.14% whereas, on average, TSR has increased by 9.29%. Total realized rewards under all incentive schemes were excessive amounting to 329.8% of base salary (Annual Bonus: 74.1% - LTIP: 255.7%).

The ratio of CEO to average employee pay has been estimated and is found inappropriate at 37:1.

Rating:AD

Vote Cast: *Oppose*

Results: For: 94.0, Abstain: 4.2, Oppose/Withhold: 1.8,

4. *Re-elect Bruno Angelici*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Although there is sufficient independent representation on the Board to support the proposal, it is noted he is a member of the Audit Committee which should comprise wholly of independent directors. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.6, Abstain: 1.6, Oppose/Withhold: 1.8,

9. *Re-elect William Seeger*

Senior Independent Director. Not considered independent as the director has served as interim Chief Financial Officer from May 2017 to December 2017. It is considered that a Senior Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.0, Abstain: 1.6, Oppose/Withhold: 1.5,

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

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

Vote Cast: *Oppose*

Results: For: 92.6, Abstain: 0.2, Oppose/Withhold: 7.2,

19. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

21. *Approve Political Donations*

Although the aggregate limit sought is within acceptable limits, the company has made donations in the US which are deemed to be political during the year. The Group made political donations of GBP 6,600 (USD 8,500) 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: 96.3, Abstain: 2.0, Oppose/Withhold: 1.7,

BOVIS HOMES GROUP PLC EGM - 02-12-2019

3. Approve New Long Term Incentive Plan

The Board proposes the approval of an amended long-term incentive plan. Under the plan, the CEO and other executives will be awarded rights to shares, a portion (or all) of which will vest depending on the achievement of some performance criteria. The amendments include: Pension will be set in line with the wider workforce level for new executive Directors and existing executive Directors taking on new roles. In accordance with the policy, Long Term Incentive Plan ("LTIP") incentive maximum to be set at 200 per cent. of base salary, which is considered to be excessive in aggregate with the annual bonus cap. LTIP awards vest on the third anniversary of the date of the grant, which is not considered to be sufficiently long-term.

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

Vote Cast: Oppose

Results: For: 69.1, Abstain: 0.0, Oppose/Withhold: 30.9,

4. Approve Remuneration Policy

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

Vote Cast: Oppose

Results: For: 65.4, Abstain: 0.0, Oppose/Withhold: 34.5,

WHITBREAD PLC EGM - 06-12-2019

1. Approve Revised Remuneration Policy

The Board of Directors proposes the following changes; (i) Increase in maximum opportunity for the Annual Bonus from 167% to 200% of the salary; (ii) Replacement of the Long-Term Incentive Award with a new Restricted Share Plan (RSP); (iii) Pension contributions rates for new joining Executive Directors reduced to 10% in order to bring them in line with the wider workforce. Contribution rates for incumbent Executive Directors are being phased down over the next three years to 15% of salary with the first reduction in May 2020 to 21.5%. The total potential awards under all incentive schemes are considered excessive at 325% of salary. It is noted that the RSP awards to be granted in the financial year 2020/21 will be subject to the following performance underpins; the company's average Lease-adjusted net debt to funds from operations leverage ratio being less than 4.5x; and the company's average return on capital employed for the UK business to be at least equal to the weighted cost of capital plus 1%. The Best practice is for performance conditions to operate interdependently, with at least one performance condition being non-financial. Dividend equivalents may be permitted under the plan, Such payments misalign shareholder and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. Malus and clawback provisions apply. However, it is noted the committee may change a performance target or underpin from time to time to take account of legal changes or to obtain or retain favourable tax, regulatory or exchange control treatment or in event that it considers it fair and reasonable to do so. Although the company states that any change to an existing performance target under the LTIP or underpin under the RSP must not have the effect, in the opinion of the committee, of making the target or underpin materially easier or materially more difficult to achieve than it was when

the award was initially granted. Some of these discretion have the potential to raise concerns over the remuneration structure. Based on these concerns, an oppose vote is recommended.

Vote Cast: Oppose

Results: For: 70.3, Abstain: 0.2, Oppose/Withhold: 29.5,

2. Approve Restricted Share Plan

The board seeks shareholder approval for the adoption of the rules for the new Restricted Share Plan (the "RSP"). The Company's existing long-term incentive arrangement for the Company's Executive Directors and other selected senior management is the LTIP, and the Company further adopted the Whitbread Performance Share Plan in 2018 in relation to the then proposed demerger of Costa from the Whitbread business. Following the sale of Costa, and in light of the growth strategy in the UK and Germany, the Company has undertaken a review of its remuneration strategy and the LTIP, and concluded that shareholder authority should be obtained to approve the RSP. It is noted the awards may take the form of a conditional award, which is a deferred right to receive ordinary shares in the Company, a nil-cost option, which is similar to a conditional award but under which the participant has an exercise period during which he can choose when to receive the Shares, a restricted award, under which the participant will become the owner of the Shares at the time of grant on terms that the Shares will be forfeited if the conditions specified at the time of grant are not met and SAR award, which is a right to receive a cash payment linked to the value of a specified number of Shares. The awards may be granted within 42 days beginning on the date on which the RSP is approved by the Company in general meeting and the date on which any dealing restrictions prohibiting grant during the period set out in are lifted. Awards for the Executives Directors are subject to performance underpins which for the first year are: average lease adjusted net debt to funds and average return on capital employed for the UK business over the three-year period. The awards granted to the Executives are measured over a period of three years. The Restricted Share Plan will have the following limits, The aggregate nominal amount of Shares that may be allocated under the RSP may not exceed 10% of the equity share capital of the Company. The aggregate nominal amount of Shares that may be allocated under the RSP and any other discretionary employee share plan may not exceed 5% of the equity share capital of the Company. Plans to increase employee shareholding are considered to be a positive governance practice, as they can contribute to alignment between employees and shareholders. On the other hand, executives are also among the beneficiaries. The proposed Plan have no non-financial criteria. The absence of Non-financial parameters to assess Executives' long-term performance is considered contrary to the 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. The performance period is three years which is not considered sufficiently long-term. However, a two year post-vesting holding period applies which is welcomed. It should be noted that 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. Based on these concerns, an oppose vote is recommended.

Vote Cast: Oppose

Results: For: 69.7, Abstain: 0.2, Oppose/Withhold: 30.1,

CYBER AGENT LTD AGM - 13-12-2019

1. Appropriation of Surplus

Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 33 yen per share is proposed, and the dividend payout ratio is approximately 245.2%. which at more than 100% payout, is considered unwise given the capital maintenance needs of the company.

Vote Cast: Oppose

3.1. *Appoint a Director except as Supervisory Committee Members: Shiotsuki Touko*

Executive candidate of the Audit & Supervisory Committee (MASC). It is considered that the Committee should consist exclusively of independent directors. Opposition is recommended.

Vote Cast: *Oppose*

3.2. *Appoint a Director except as Supervisory Committee Members : Horiuchi Masao*

Non-Executive candidate of the Audit & Supervisory Committee (MASC). Not considered to be independent. It is considered that the Committee should consist exclusively of independent directors. Opposition is recommended.

Vote Cast: *Oppose*

3.3. *Appoint a Director except as Supervisory Committee Members: Numata Isao*

Non-Executive candidate to the Audit & Supervisory Committee (MASC). Not considered to be independent. It is considered that the Committee should consist exclusively of independent directors. Opposition is recommended.

Vote Cast: *Oppose*

OBARA GROUP INC AGM - 20-12-2019

2.1. *Elect Obara Yasushi*

President. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

ILIAD EGM - 20-12-2019

1. *Authorize Specific Buyback Program.*

It is proposed to authorize the Board to purchase Company's shares. The authority is requested for the buyback of 11,666,666 shares of the company which represents 19.7% of the share capital for a period of 12 months. When the repurchase of the shares is completed the Board will proceed in the cancellation of them. The authority will be valid for 12 months but can be used during a period of public offer. If the authority can be used during a period of public offer, the share repurchase can potentially be used as an anti-takeover device. Based on these concerns' opposition is recommended.

Vote Cast: *Oppose*

2. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights of Up to 11,666,666 Shares, with a Binding Priority Right

Authority is sought to issue shares without pre-emptive rights to an amount of more than 10% of the share capital, which is deemed excessive. Additionally, the authority can also be used in time of public offer. Based on these concerns' opposition is recommended.

Vote Cast: Oppose

3. Approve Issue of Shares for Employee Saving Plan

Authority for a capital increase for up to 1% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: Oppose

4 Appendix

The regions are categorised as follows:

ASIA	China; Hong Kong; Indonesia; India; South Korea; Laos; Macao; Malaysia; Philippines; Singapore; Thailand; Taiwan; Papua New Guinea; Vietnam
SANZA	Australia; New Zealand; South Africa
EUROPE/GLOBAL EU	Albania; Austria; Belgium; Bosnia; Bulgaria; Croatia; Cyprus; Czech Republic; Denmark; Estonia; France; Finland; Germany; Greece; Hungary; Ireland; Italy; Latvia; Liechtenstein; Lithuania; Luxembourg; Moldova; Monaco; Montenegro; Netherlands; Norway; Poland; Portugal; Spain; Sweden; Switzerland
JAPAN	Japan
USA/CANADA	USA; Canada; Bermuda
UK/BRIT OVERSEAS	UK; Cayman Islands; Gibraltar; Guernsey; Jersey
SOUTH AMERICA	Argentina; Bolivia; Brazil; Chile; Colombia; Costa Rica; Cuba; Ecuador; El Salvador; Guatemala; Honduras; Mexico; Nicaragua; Panama; Paraguay; Peru; Uruguay; Venezuela
REST OF WORLD	Any Country not listed above

The following is a list of commonly used acronyms and definitions.

Acronym	Description
AGM	Annual General Meeting
CEO	Chief Executive Officer
EBITDA	Earnings Before Interest Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FY	Financial Year
KPI	Key Performance Indicators - financial or other measures of a company's performance
LTIP	Long Term Incentive Plan - Equity based remuneration scheme which provides stock awards to recipients
NED	Non-Executive Director
NEO	Named Executive Officer - Used in the US to refer to the five highest paid executives
PLC	Publicly Listed Company
PSP	Performance Share Plan
ROCE	Return on Capital Employed
SID	Senior Independent Director
SOP	Stock Option Plan - Scheme which grants stock options to recipients
TSR	Total Shareholder Return - Stock price appreciation plus dividends

For Private Circulation only

©*Copyright 2020 PIRC Ltd*

Information is believed to be correct but cannot be guaranteed. Opinions and recommendations constitute our judgement as of this date and are subject to change without notice. The document is not intended as an offer, solicitation or advice to buy or sell securities. Clients of Pensions & Investment Research Consultants Ltd may have a position or engage in transaction in any of the securities mentioned.

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

Tel: 020 7247 2323

Fax: 020 7247 2457

<http://www.pirc.co.uk>

Regulated by the Financial Conduct Authority

Version 1