



# Suffolk CC Pension Fund

## PROXY VOTING REVIEW

PERIOD 1<sup>st</sup> January 2019 to 31<sup>st</sup> March 2019

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## 1 Resolution Analysis

- Number of resolutions voted: 215 (note that it MAY include non-voting items).
- Number of resolutions supported by client: 150
- Number of resolutions opposed by client: 49
- Number of resolutions abstained by client: 14
- Number of resolutions Non-voting: 1
- Number of resolutions Withheld by client: 1
- 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	3
EUROPE & GLOBAL EU	3
USA & CANADA	5
ASIA	1
JAPAN	3
<b>TOTAL</b>	<b>15</b>

## 1.2 Number of Resolutions by Vote Categories

Vote Categories	Number of Resolutions
For	150
Abstain	14
Oppose	49
Non-Voting	1
Not Supported	0
Withhold	1
US Frequency Vote on Pay	0
Withdrawn	0
<b>TOTAL</b>	<b>215</b>

### 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	For	Abstain	Oppose	Non-Voting	Not Supported	Withhold	Withdrawn	US Frequency Vote on Pay	Total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	54	0	7	0	0	0	0	0	61
EUROPE & GLOBAL EU	32	6	11	1	0	0	0	0	50
USA & CANADA	34	3	27	0	0	1	0	0	65
ASIA	0	4	0	0	0	0	0	0	4
JAPAN	30	1	4	0	0	0	0	0	35
<b>TOTAL</b>	<b>150</b>	<b>14</b>	<b>49</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>215</b>

## 1.4 Votes Made in the Portfolio Per Resolution Category

	Portfolio						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	1	0	0	0	0	0	0
Annual Reports	7	1	4	0	0	0	0
Articles of Association	3	1	0	0	0	0	0
Auditors	6	1	7	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	3	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	94	9	26	0	0	1	0
Dividend	10	0	0	0	0	0	0
Executive Pay Schemes	1	0	1	0	0	0	0
Miscellaneous	4	1	0	0	0	0	0
NED Fees	2	0	0	0	0	0	0
Non-Voting	0	0	0	1	0	0	0
Say on Pay	0	1	6	0	0	0	0
Share Capital Restructuring	1	0	0	0	0	0	0
Share Issue/Re-purchase	11	0	4	0	0	0	0
Shareholder Resolution	7	0	1	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	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn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	3	0	0	0	0	0	0
Remuneration Reports	1	0	2	0	0	0	0
Remuneration Policy	0	0	0	0	0	0	0
Dividend	4	0	0	0	0	0	0
Directors	26	0	1	0	0	0	0
Approve Auditors	1	0	2	0	0	0	0
Share Issues	6	0	0	0	0	0	0
Share Repurchases	3	0	0	0	0	0	0
Executive Pay Schemes	0	0	0	0	0	0	0
All-Employee Schemes	0	0	0	0	0	0	0
Political Donations	3	0	0	0	0	0	0
Articles of Association	0	0	0	0	0	0	0
Mergers/Corporate Actions	0	0	0	0	0	0	0
Meeting Notification related	3	0	0	0	0	0	0
All Other Resolutions	4	0	2	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0

## 1.6 Votes Made in the US Per Resolution Category

### US/Global US & Canada

	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	1	0	0	0	0	0	0
Annual Reports	0	0	0	0	0	0	0
Articles of Association	2	0	0	0	0	0	0
Auditors	1	1	3	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	23	2	17	0	0	1	0
Dividend	0	0	0	0	0	0	0
Executive Pay Schemes	0	0	1	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	5	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 Shareholder Votes Made in the US Per Resolution Category

	US/Global US and Canada						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
<b>Social Policy</b>							
SEE Reports/Policies	0	1	0	0	0	0	0
Human Rights	0	1	0	0	0	0	0
<b>Executive Compensation</b>							
Performance Metrics Requirement	0	1	0	0	0	0	0
<b>Corporate Governance</b>							
Special Meetings	0	1	0	0	0	0	0
Diversity of the Board/Director Qualification	0	1	0	0	0	0	0
Chairman Independence	0	1	0	0	0	0	0
Written Consent	0	0	0	0	1	0	0
Proxy Access	0	1	0	0	0	0	0

## 1.8 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	1	0	2	0	0	0	0
Articles of Association	0	0	0	0	0	0	0
Auditors	1	0	2	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	22	5	4	0	0	0	0
Dividend	3	0	0	0	0	0	0
Executive Pay Schemes	0	0	0	0	0	0	0
Miscellaneous	1	1	0	0	0	0	0
NED Fees	1	0	0	0	0	0	0
Non-Voting	0	0	0	1	0	0	0
Say on Pay	0	0	1	0	0	0	0
Share Capital Restructuring	1	0	0	0	0	0	0
Share Issue/Re-purchase	2	0	2	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0

## 1.9 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	2	1	0	0	0	0	0
Articles of Association	1	1	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	23	2	4	0	0	0	0
Dividend	3	0	0	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	1	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

## 1.10 Geographic Breakdown of Meetings All Supported

### SZ

Meetings	All For	AGM	EGM
0	0	0	0

### AS

Meetings	All For	AGM	EGM
1	0	0	0

### UK

Meetings	All For	AGM	EGM
3	0	0	0

### EU

Meetings	All For	AGM	EGM
3	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	0	0	0

### US

Meetings	All For	AGM	EGM
5	0	0	0

### TOTAL

Meetings	All For	AGM	EGM
15	0	0	0

## 1.11 List of all meetings voted

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
INTUIT INC.	17-01-2019	AGM	13	11	0	2
COSTCO WHOLESALE CORPORATION	24-01-2019	AGM	9	5	0	4
WALGREENS BOOTS ALLIANCE	25-01-2019	AGM	18	10	1	7
ACCENTURE PLC	01-02-2019	AGM	16	9	4	3
COMPASS GROUP PLC	07-02-2019	AGM	22	20	0	2
EASYJET PLC	07-02-2019	AGM	20	19	0	1
INFINEON TECHNOLOGIES AG	21-02-2019	AGM	5	3	0	1
SSP GROUP PLC	21-02-2019	AGM	19	15	0	4
NOVARTIS AG	28-02-2019	AGM	29	20	2	7
APPLE INC	01-03-2019	AGM	12	4	2	6
APPLIED MATERIALS INC	07-03-2019	AGM	13	4	0	9
JAPAN TOBACCO INC	20-03-2019	AGM	12	9	0	3
SAMSUNG SDI CO LTD	20-03-2019	AGM	4	0	4	0
SUNTORY BEVERAGE & FOOD LTD	28-03-2019	AGM	11	9	1	1
EBARA CORP	28-03-2019	AGM	12	12	0	0

## 2 Notable Oppose Vote Results With Analysis

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

### APPLE INC AGM - 01-03-2019

#### *5. Shareholder Resolution: True Diversity Board Policy*

**Proposed by:** National Center for Public Policy Research. The shareholders of Apple Inc. (the "Company") request the Board adopt a policy to disclose to shareholders a description of the specific minimum qualifications that the Board's nominating committee believes must be met by a nominee to be on the board of directors; and each nominee's skills, ideological perspectives, and experience presented in a chart or matrix form. The disclosure shall be presented to the shareholders through the annual proxy statement and the Company's website within six (6) months of the date of the annual meeting and updated on an annual basis.

**Supporting Argument:** The Proponent argues that they believe that boards that incorporate diverse perspectives can think more critically and oversee corporate managers more effectively. By providing a meaningful disclosure about potential Board members, shareholders will be better able to judge how well-suited individual board nominees are for the Company and whether their listed skills, experience and attributes are appropriate in light of the Company's overall business strategy. True diversity comes from diversity of thought. There is ample evidence that the Company – and Silicon Valley generally – operate in ideological hegemony that eschews conservative people, thoughts, and values. This ideological echo chamber can result in group-think that is the antithesis of diversity. This can be a major risk factor for shareholders. They believe a diverse board is a good indicator of sound corporate governance and a well-functioning board. Diversity in board composition is best achieved through highly qualified candidates with a wide range of skills, experience, beliefs, and board independence from management. Furthermore, they are requesting comprehensive disclosures about board composition and what qualifications the Company seeks for its Board.

**Opposing Argument:** The Board is against this proposal as the role of our Board is to oversee the CEO and other senior management in the competent and ethical operation of Apple and to assure that the long-term interests of shareholders are being served. It has been elected a Board that consists of a highly qualified, diverse group of leaders in their respective fields, and the caliber of our Board members reflects the Board's rigorous process for evaluating and recommending potential nominees for election to the Board. It has broken down in the Proxy Statement a discussion of the specific skills, qualities, attributes, and experience that led the Board and the Nominating Committee to determine that it is appropriate to nominate each director for election to the Board. The Board regularly monitors the mix of skills and experience of its directors in order to assure that the Board has the necessary tools to perform its oversight function effectively. The Board also undertakes an annual self-evaluation process led by the independent Chairman of the Board. The Nominating Committee evaluates a variety of attributes, including independence; character; ability to exercise sound judgement; diversity; gender; age; demonstrated leadership; and relevant skills and experience, including financial literacy and other experience in the context of the needs of the Board. The skills, qualities, attributes, and experience that the Board evaluates when considering a potential nominee do not include "ideological perspectives." as they believe it is not relevant to the Board's oversight role or the nominee's ability to serve as an effective director. The Board believes that the additional disclosure requested by this proposal would not be necessary and relevant to the Board's process for identifying director candidates or be useful to shareholders in assessing the diversity of backgrounds, experiences, and attributes that should be, and are, represented on the Board.

**Analysis:** The potential benefits of board diversity lie in widening the perspectives on business issues brought to bear on decision-making, avoiding too great a similarity of attitude and helping companies understand their customers, marketplace, supply chain and workforces. Disclosure surrounding the board's composition and skills allows shareholders to consider the make-up of the board in the context of the long-term interests of the Company. The resolution merely asks for a board skills matrix, of the kind provided by many S&P 500 companies, such as Starbucks, which would effectively satisfy the proponent's request. Support for the resolution is recommended.

Vote Cast: For

Results: For: 1.7, Abstain: 1.4, Oppose/Withhold: 97.0,

**WALGREENS BOOTS ALLIANCE AGM - 25-01-2019****6.. Shareholder Resolution: Performance Metrics for Executive Remuneration**

**Proposed by:** The City of Philadelphia Public Employees Retirement System.

It is proposed the Company adopt a policy that when using performance metrics to calculate senior executive compensation, the Company shall not adjust performance metrics that are calculated in accordance with generally accepted accounting principles (GAAP).

**Proponent's Supporting Argument:** The Proponent argues that the use of adjusted GAAP financial metrics for senior executive compensation benchmarks can undermine the connection between pay and performance. If the Company chooses to use GAAP metrics to calculate performance then the calculation of the metric should follow GAAP rather than exclude certain costs. The use of adjusted GAAP metrics complicates investors' ability to compare senior executive compensation performance metrics across companies.

**Board's Opposing Argument:** The Company argues that firstly this proposal would limit the Compensation Committee's flexibility to continue to review and evaluate a key aspect of the Company's incentive compensation programs by restricting the performance measures used. Secondly it is argued that the Board is against this proposal as adjusted measures best align executives' incentive compensation with the Company's operational performance.

**PIRC Analysis:** PIRC is generally not supportive of adjusted metrics and fails to see how they link pay with performance given the Compensation Committee's flexibility in adjusting targets, and the relatively short three-year cycle used to evaluate performance (if any). In addition adjusted metrics such as EPS are not appropriate for remuneration purposes as these adjustments often take account of, say, restructuring costs or impairment charges. These are real costs which are born by shareholders but which, in the case of executive remuneration, management are not held responsible for. Support is therefore recommended.

Vote Cast: *For*

Results: For: 5.0, Abstain: 0.5, Oppose/Withhold: 94.5,

**APPLE INC AGM - 01-03-2019****4. Shareholder Resolution: Proxy Access**

**Proposed by:** Mr. James McRitchie. The Proponent requests the Board to adopt a "proxy access" bylaw. This would allow shareholders who have held at least 3% of the Company's relevant issued shares for three years or more to nominate candidates for election to the Board. The Company would be obliged to include such nominees on the general meeting proxy form. The resolution includes proper procedural safeguards for the nomination process. The nominators will be required to certify that their shares were acquired as normal investment business and not for ancillary purposes.

**Supporting Argument:** The Proponent argues that the current proxy access bylaws restrict Shareholder Nominees to 20% of directors rounded down to the nearest whole number. Most S&P 500 companies have adopted proxy access. According to a report by Sidley Austin, 84% allow either a minimum of 2 directors to be nominated or 25% of the board. That leaves Apple as a distinct outlier with 16% that allow only up to 20% of the board to be nominated by shareholders. However, Apple is worse than most of the 16% of laggards. The most common board size at S&P 500 companies is 11. 20% of 11, rounding down to the nearest whole number is 2. However, Apple has only 8 directors. 20% of 8, rounding down to the nearest whole number is 1. Because shareholders are limited to one nominee at Apple, instead of two, as is the case at most large companies, any shareholder nominee elected under the current bylaws at Apple could be easily isolated and ineffective. They might not even be able to get a second on a motion in a board meeting to discuss important topics.

**Opposing Argument:** The Board is against this proposal as described in previous years, they strongly believe increasing the potential level of Board representation to the greater of two directors and 20% of the Board could have unintended effects that could negatively impact shareholder value, including promoting the use of proxy access to lay the groundwork for effecting a change of control, encouraging the pursuit of special interests at the expense of a holistic, long-term strategic view, or otherwise disrupting the effective functioning of the Board. According to the study cited by the proponent, only 65% of the companies in the S&P 500 have adopted proxy access. Moreover, among the companies that have adopted proxy access, there are many different models and approaches. For example, of the companies of any

size that have adopted proxy access since January 1, 2015, 22% do not require a minimum of two director nominees. Their proxy access bylaws overall are well within the mainstream of public company practices and share similar features with the proxy access bylaws of many other companies. After closely monitoring proxy access developments and engaging with many of their largest shareholders, governance experts, and advisors to discuss evolving market practices and the preferences of their shareholders, the Board adopted enhancements to the "secondary" elements of the proxy access provisions in their bylaws in December 2016. These enhancements made it easier for shareholders to nominate proxy access candidates by eliminating the requirement that a nominating shareholder's loaned shares be recalled at the time the shareholder provides notice to Apple; eliminating the prohibition on re-nomination of a proxy access candidate if the candidate receives a low level of support at the annual meeting; limiting the circumstances under which the maximum number of proxy access candidates is reduced; extending the deadline by which nominating shareholders and proxy access candidates must provide certain information to Apple; narrowing the scope of a nominating shareholder's indemnification obligations; and limiting the discretion of the Board to unilaterally interpret the proxy access provisions.

**Analysis:** The Company appears to have amended its bylaws to meet what it considers market best practice, as well as making it easier, in most cases, for shareholders to nominate directors. While these changes are welcomed, there is still a concern that only one director can be nominated by shareholders unless Apple's board size increases, because the bylaws do not include the phrase "the greater of 20% or 2 directors". It is considered that a minimum of two directors is best practice. The resolution is reasonable and a vote for it is recommended.

Vote Cast: *For*

Results: For: 29.3, Abstain: 0.7, Oppose/Withhold: 70.0,

## COSTCO WHOLESALE CORPORATION AGM - 24-01-2019

### *7. Shareholder Resolution: Report on Prison Labour in the Supply Chain*

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Vote Cast: *For*

Results: For: 28.1, Abstain: 2.1, Oppose/Withhold: 69.8,

## WALGREENS BOOTS ALLIANCE AGM - 25-01-2019

### *5.. Shareholder Resolution: Introduce an Independent Chairman Rule*

**Proposed by:** Kenneth Steiner. The Proponent requests the Board of Directors adopt a policy that the Chair of the Board of Directors shall be an independent member of the Board.

**Proponent's Supporting Argument:** Long-tenure can impair the independence of a director-no matter how well qualified. Independence is a priceless attribute in a director. The current senior independent director Mr. Foote had more than 21-year long tenure at Walgreens.

**Boards Opposing Argument:** Firstly, the Company argues that the Board is best positioned to evaluate the optimal leadership structure for the Company. Secondly, the Company argues that the Lead Independent Director has been vested with significant responsibilities to ensure independent oversight. Finally, the company argues that it has already adopted corporate governance policies and practices that promote a strong and effective Board.

**PIRC Analysis:** It is considered that an independent Chairman can provide independent oversight of management and facilitates clearer lines of accountability with respect to corporate decisions. It is also considered that all board meetings (not just those of independent directors) should be led by an independent director, and judge that in practice this means that there should be an independent Chairman. Support is therefore recommended.

Vote Cast: *For*

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



## WALGREENS BOOTS ALLIANCE AGM - 25-01-2019

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

#### **Proposed by: John Chevedden**

The proponent request the Board of Directors take the steps necessary to amend its Bylaws and each appropriate governing document to give holders in the aggregate of 10% of the Company's outstanding common stock the power to call a special shareowner meeting.

**Proponent's Supporting Argument:** It is argued that this proposal should be supported because it does not impact the board's current power to call a special meeting. Secondly it is argued that, special shareholder meetings allow shareholders to vote on important matters, such as electing new directors that can arise between annual meetings. Finally, it is argued that this proposal topic has seen significant shareholder support elsewhere, it won more than 70% support at Edwards Lifesciences and SunEdison. This proposal topic, sponsored by William Steiner, also won 78% support at a Sprint's Annual Meeting.

**Board's Opposing Argument:** The Company argues that the current ownership threshold of 20% to call a special meeting permits stockholders owning a reasonable minority of the Company's outstanding shares of common stock to call special meetings while helping to avoid using corporate resources on business items that may not reflect the interests of the Company and its broader stockholder base and may not garner significant support.

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

Vote Cast: *For*

Results: For: 38.0, Abstain: 0.5, Oppose/Withhold: 61.5,

## APPLIED MATERIALS INC AGM - 07-03-2019

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

Action by written consent would circumvent the important deliberative process of a shareholder meeting. While it is considered that the Board should remain accountable to its shareholders; regardless of the method of communication chosen; there are concerns that using written consent could lead to minority shareholders losing the ability to have their say on matters affecting the company. On this basis it is advised to oppose. **Proposed by:** Kenneth Steiner

Shareholders request that the board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorise the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This written consent is to be consistent with applicable law and consistent with giving shareholders the fullest power to act by written consent consistent with applicable law. This includes shareholder ability to initiate any topic for written consent consistent with applicable law.

**Proponent's Supporting Argument:** The Proponent argues that taking action by written consent in lieu of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle. A shareholder right to act by written consent and to call a special meeting are two complimentary ways to bring an important matter to the attention of both management and shareholders outside the annual meeting cycle. Taking action by written consent saves the expense of holding a special shareholder meeting.

**Board's Opposing Argument:** The Board is against this proposal and has determined that support for this shareholder proposal is unwarranted, and further believes that this written consent proposal would unfairly enable holders to circumvent the protections, procedural safeguards and advantages provided to all shareholders through the Company's existing shareholder meeting process in a way that may be detrimental to shareholders.

**PIRC Analysis:** Action by written consent would circumvent the important deliberative process of a shareholder meeting. As a result; up to 49% of the Company's

shareholders could be prevented from voting; or even receiving accurate and complete information; on important pending actions. While it is considered that the Board should remain accountable to its shareholders, regardless of the method of communication chosen, there are concerns that using written consent could lead to minority shareholders losing the ability to have their say on matters affecting the company. On this basis shareholders are advised to oppose.

Vote Cast: *Oppose*

Results: For: 49.8, Abstain: 0.8, Oppose/Withhold: 49.4,

## WALGREENS BOOTS ALLIANCE AGM - 25-01-2019

*7.. Shareholder Resolution: report to shareholders by June 30, 2019, corporate governance Walgreens has taken to manage risks related to the opioid crisis.*

**Proposed by:** Mercy Investment Services, Inc.

To report to shareholders by June 30, 2019 describing the corporate governance changes Walgreens has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis.

**Proponent's Supporting Argument:**Walgreens has repeatedly come under fire for irresponsible dispensing and distribution of opioids. In 2013, Walgreens settled claims that it committed an "unprecedented number" of federal Controlled Substances Act violations by failing to report suspicious orders, maintaining inadequate controls against diversion and dispensing opioids despite red flags. Walgreens paid a record USD 80 million civil penalty.

**Board's Opposing Argument:** The Company argues that it already discloses the governance measures and other controls it has implemented to effectively monitor and manage significant risks associated with the Company's business. Secondly the Company argues that it already publicly discloses specific actions that the Company takes to manage opioid-related risks.

**PIRC Analysis:** The two pages in the 2017 Corporate Governance Report provide a superficial summary of the measures adopted by the Company. In the Proxy Statement the information on this topic is similarly superficial. For instance the Company states that it has established a global enterprise risk management program led by a Global Chief Compliance and Ethics Officer. However little further information is disclosed about this program, its objectives, or findings in the Proxy Statement. It is considered that the transparency and completeness of the Company's reporting on the monitoring and management activities of the Company in relation to the opioid-related risks faced by its business could be improved. It is important that companies protect their reputation by open reporting. It is to the benefit of the Company and its shareholders to be transparent and it is reasonable for shareholders to request more detailed information. Support is recommended.

Vote Cast: *For*

Results: For: 59.1, Abstain: 2.4, Oppose/Withhold: 38.5,

## SSP GROUP PLC AGM - 21-02-2019

*2. Approve the Remuneration Report*

The remuneration report received significant opposition from shareholders amounting to 14.2%. The Company states that it engaged with shareholders on the remuneration policy, although it is unclear if other concerns regarding remuneration were addressed.

The change in the CEO's salary is in line with the rest of the Company as the increase in the CEO's salary as well as the average rise in UK employees was 2%. However, the CEO's salary is in the upper quartile of the Company's comparator group. The changes in CEO total pay under the last four years are not considered to be in line with changes in TSR during the same period. Total variable pay for the year under review is excessive, amounting to 677% of salary for the CEO; this is over three times the recommended limit of 200% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 144:1; this significantly exceeds the recommended ratio of 20:1.

Rating: BD.

Based on this rating it is recommended that Suffolk oppose.

Vote Cast: *Oppose*

Results: For: 65.2, Abstain: 1.8, Oppose/Withhold: 33.0,

## **SSP GROUP PLC AGM - 21-02-2019**

### *4. Re-elect Vagn Sorensen*

Incumbent Chair. Not independent upon appointment as he is a Senior Industrial Advisor with EQT Partners which had an association with the Company; the Company states that this association is historic rather than current.

PIRC issue: In addition, he has served on the Board for over nine years. There are concerns over his time commitments as he serves on the Boards of numerous companies. At last year's AGM he received significant opposition from shareholders amounting to 29.3%. The Company addressed this stating that there was concern from shareholders over his time commitment issues, and stated that he stepped down from one of his external appointments. In spite of this, there are concerns over Mr Sorensen's independence and time commitments.

Vote Cast: *Oppose*

Results: For: 56.6, Abstain: 14.0, Oppose/Withhold: 29.4,

### 3 Notable Oppose Vote Results With Analysis

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

#### COSTCO WHOLESALE CORPORATION AGM - 24-01-2019

##### 4. *Approve the 2019 Incentive Plan*

The Board seeks to approve 2019 incentive plan to succeed the Restated 2002 plan and to continue to utilise stock-based incentive awards. The proposed plan contains policies including a fungible share pool with shares issued as RSUs counting as 1.75 shares against the total share limit, double-trigger change in control vesting for assumed awards, No repricing or cash-out of stock options without shareholder approval, no dividends paid on options or on unvested RSU awards, a limit on non-employee director cash and equity compensation, and no discounted stock options. The Board claims that the purpose of the plan is to allow selected employees, directors and consultants to the Company to participate in the Company's future growth and success by offering them an opportunity to acquire stock in the Company in order to retain, attract and motivate them.

There are concerns with the stock awards section of the plan, which allows for accelerated of vesting for long service rather than performance conditions, which is not considered best practice. The Remuneration committee will retain the right to grant awards that do not qualify as performance based compensation, which is also not considered best practice. While a cap on the maximum awards granted to non-employee directors is welcomed, the cap of 500,000 shares or USD 3 million is considered excessive. In addition, it is considered that non-employee directors should only receive the fixed fees for their board and committee responsibilities, and should not receive additional awards or variable compensation. While elements of the plan are welcomed, such as the introduction of double-trigger provisions in the event of a change of control, 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. Shareholders are advised to oppose.

Vote Cast: *Oppose*

Results: For: 71.6, Abstain: 0.2, Oppose/Withhold: 28.2,

##### 7. *Shareholder Resolution: Report on Prison Labour in the Supply Chain*

**Check your LaTeX tags**

Vote Cast: *For*

Results: For: 28.1, Abstain: 2.1, Oppose/Withhold: 69.8,

#### WALGREENS BOOTS ALLIANCE AGM - 25-01-2019

##### 5.. *Shareholder Resolution: Introduce an Independent Chairman Rule*

**Proposed by:** Kenneth Steiner. The Proponent requests the Board of Directors adopt a policy that the Chair of the Board of Directors shall be an independent member of the Board.

**Proponent's Supporting Argument:** Long-tenure can impair the independence of a director-no matter how well qualified. Independence is a priceless attribute in a director. The current senior independent director Mr. Foote had more than 21-year long tenure at Walgreens.

**Boards Opposing Argument:** Firstly, the Company argues that the Board is best positioned to evaluate the optimal leadership structure for the Company. Secondly, the Company argues that the Lead Independent Director has been vested with significant responsibilities to ensure independent oversight. Finally, the company argues that it has already adopted corporate governance policies and practices that promote a strong and effective Board.

**PIRC Analysis:** It is considered that an independent Chairman can provide independent oversight of management and facilitates clearer lines of accountability with

respect to corporate decisions. It is also considered that all board meetings (not just those of independent directors) should be led by an independent director, and judge that in practice this means that there should be an independent Chairman. Support is therefore recommended.

Vote Cast: *For*

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

#### *6.. Shareholder Resolution: Performance Metrics for Executive Remuneration*

**Proposed by:** The City of Philadelphia Public Employees Retirement System.

It is proposed the Company adopt a policy that when using performance metrics to calculate senior executive compensation, the Company shall not adjust performance metrics that are calculated in accordance with generally accepted accounting principles (GAAP).

**Proponent's Supporting Argument:** The Proponent argues that the use of adjusted GAAP financial metrics for senior executive compensation benchmarks can undermine the connection between pay and performance. If the Company chooses to use GAAP metrics to calculate performance then the calculation of the metric should follow GAAP rather than exclude certain costs. The use of adjusted GAAP metrics complicates investors' ability to compare senior executive compensation performance metrics across companies.

**Board's Opposing Argument:** The Company argues that firstly this proposal would limit the Compensation Committee's flexibility to continue to review and evaluate a key aspect of the Company's incentive compensation programs by restricting the performance measures used. Secondly it is argued that the Board is against this proposal as adjusted measures best align executives' incentive compensation with the Company's operational performance.

**PIRC Analysis:** PIRC is generally not supportive of adjusted metrics and fails to see how they link pay with performance given the Compensation Committee's flexibility in adjusting targets, and the relatively short three-year cycle used to evaluate performance (if any). In addition adjusted metrics such as EPS are not appropriate for remuneration purposes as these adjustments often take account of, say, restructuring costs or impairment charges. These are real costs which are born by shareholders but which, in the case of executive remuneration, management are not held responsible for. Support is therefore recommended.

Vote Cast: *For*

Results: For: 5.0, Abstain: 0.5, Oppose/Withhold: 94.5,

#### *7.. Shareholder Resolution: report to shareholders by June 30, 2019, corporate governance Walgreens has taken to manage risks related to the opioid crisis.*

**Proposed by:** Mercy Investment Services, Inc.

To report to shareholders by June 30, 2019 describing the corporate governance changes Walgreens has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis.

**Proponent's Supporting Argument:**Walgreens has repeatedly come under fire for irresponsible dispensing and distribution of opioids. In 2013, Walgreens settled claims that it committed an "unprecedented number" of federal Controlled Substances Act violations by failing to report suspicious orders, maintaining inadequate controls against diversion and dispensing opioids despite red flags. Walgreens paid a record USD 80 million civil penalty.

**Board's Opposing Argument:** The Company argues that it already discloses the governance measures and other controls it has implemented to effectively monitor and manage significant risks associated with the Company's business. Secondly the Company argues that it already publicly discloses specific actions that the Company takes to manage opioid-related risks.

**PIRC Analysis:** The two pages in the 2017 Corporate Governance Report provide a superficial summary of the measures adopted by the Company. In the Proxy Statement the information on this topic is similarly superficial. For instance the Company states that it has established a global enterprise risk management program led by a Global Chief Compliance and Ethics Officer. However little further information is disclosed about this program, its objectives, or findings in the Proxy Statement. It is considered that the transparency and completeness of the Company's reporting on the monitoring and management activities of the Company in relation to the opioid-related risks faced by its business could be improved. It is important that companies protect their reputation by open reporting. It is to the benefit of the Company and its shareholders to be transparent and it is reasonable for shareholders to request more detailed information. Support is recommended.

Vote Cast: *For*

Results: For: 59.1, Abstain: 2.4, Oppose/Withhold: 38.5,

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

#### **Proposed by: John Chevedden**

The proponent request the Board of Directors take the steps necessary to amend its Bylaws and each appropriate governing document to give holders in the aggregate of 10% of the Company's outstanding common stock the power to call a special shareowner meeting.

**Proponent's Supporting Argument:** It is argued that this proposal should be supported because it does not impact the board's current power to call a special meeting. Secondly it is argued that, special shareholder meetings allow shareholders to vote on important matters, such as electing new directors that can arise between annual meetings. Finally, it is argued that this proposal topic has seen significant shareholder support elsewhere, it won more than 70% support at Edwards Lifesciences and SunEdison. This proposal topic, sponsored by William Steiner, also won 78% support at a Sprint's Annual Meeting.

**Board's Opposing Argument:** The Company argues that the current ownership threshold of 20% to call a special meeting permits stockholders owning a reasonable minority of the Company's outstanding shares of common stock to call special meetings while helping to avoid using corporate resources on business items that may not reflect the interests of the Company and its broader stockholder base and may not garner significant support.

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

Vote Cast: *For*

Results: For: 38.0, Abstain: 0.5, Oppose/Withhold: 61.5,

## **COMPASS GROUP PLC AGM - 07-02-2019**

### 12. *Re-elect Ireena Vittal*

Independent Non-Executive Director.

PIRC issue: It is noted that this director received a significant number of abstain votes of 15.14% at the last AGM and no explanation has been provided by the Company. In addition, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *For*

Results: For: 74.9, Abstain: 3.5, Oppose/Withhold: 21.6,

### 13. *Re-elect Paul Walsh*

Chair. Independent upon appointment.

PIRC issue: However, there are concerns over his potential aggregate time commitments.

Vote Cast: *For*

Results: For: 84.1, Abstain: 5.3, Oppose/Withhold: 10.6,

## **EASYJET PLC AGM - 07-02-2019**

### 11. *Elect Julie Southern*

Newly appointed independent Non-Executive Director.

Vote Cast: *For*

Results: For: 83.8, Abstain: 0.2, Oppose/Withhold: 16.0,

### INFINEON TECHNOLOGIES AG AGM - 21-02-2019

#### 2. *Approve the Dividend*

The Board proposes a dividend of EUR 0.27 per share. The dividend is covered by earnings. Acceptable proposal.

Vote Cast: *For*

Results: For: 86.5, Abstain: 0.9, Oppose/Withhold: 12.6,

### SSP GROUP PLC AGM - 21-02-2019

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

The remuneration report received significant opposition from shareholders amounting to 14.2%. The Company states that it engaged with shareholders on the remuneration policy, although it is unclear if other concerns regarding remuneration were addressed.

The change in the CEO's salary is in line with the rest of the Company as the increase in the CEO's salary as well as the average rise in UK employees was 2%. However, the CEO's salary is in the upper quartile of the Company's comparator group. The changes in CEO total pay under the last four years are not considered to be in line with changes in TSR during the same period. Total variable pay for the year under review is excessive, amounting to 677% of salary for the CEO; this is over three times the recommended limit of 200% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 144:1; this significantly exceeds the recommended ratio of 20:1.

Rating: BD.

Based on this rating it is recommended that Suffolk oppose.

Vote Cast: *Oppose*

Results: For: 65.2, Abstain: 1.8, Oppose/Withhold: 33.0,

#### 4. *Re-elect Vagn Sorensen*

Incumbent Chair. Not independent upon appointment as he is a Senior Industrial Advisor with EQT Partners which had an association with the Company; the Company states that this association is historic rather than current.

PIRC issue: In addition, he has served on the Board for over nine years. There are concerns over his time commitments as he serves on the Boards of numerous companies. At last year's AGM he received significant opposition from shareholders amounting to 29.3%. The Company addressed this stating that there was concern from shareholders over his time commitment issues, and stated that he stepped down from one of his external appointments. In spite of this, there are concerns over Mr Sorensen's independence and time commitments.

Vote Cast: *Oppose*

Results: For: 56.6, Abstain: 14.0, Oppose/Withhold: 29.4,

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

The authority is limited to one third of the Company's issued share capital. This cap can increase to two-thirds of the issued share capital if shares are issued in

connection with an offer by way of a rights issue. All directors are standing for annual re-election. This resolution is in line with normal market practice and expires at the next AGM. Support is recommended.

Vote Cast: *For*

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

#### 19. Meeting Notification-related Proposal

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

Vote Cast: *For*

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

### APPLE INC AGM - 01-03-2019

#### 4. Shareholder Resolution: Proxy Access

**Proposed by:** Mr. James McRitchie. The Proponent requests the Board to adopt a "proxy access" bylaw. This would allow shareholders who have held at least 3% of the Company's relevant issued shares for three years or more to nominate candidates for election to the Board. The Company would be obliged to include such nominees on the general meeting proxy form. The resolution includes proper procedural safeguards for the nomination process. The nominators will be required to certify that their shares were acquired as normal investment business and not for ancillary purposes.

**Supporting Argument:** The Proponent argues that the current proxy access bylaws restrict Shareholder Nominees to 20% of directors rounded down to the nearest whole number. Most S&P 500 companies have adopted proxy access. According to a report by Sidley Austin, 84% allow either a minimum of 2 directors to be nominated or 25% of the board. That leaves Apple as a distinct outlier with 16% that allow only up to 20% of the board to be nominated by shareholders. However, Apple is worse than most of the 16% of laggards. The most common board size at S&P 500 companies is 11. 20% of 11, rounding down to the nearest whole number is 2. However, Apple has only 8 directors. 20% of 8, rounding down to the nearest whole number is 1. Because shareholders are limited to one nominee at Apple, instead of two, as is the case at most large companies, any shareholder nominee elected under the current bylaws at Apple could be easily isolated and ineffective. They might not even be able to get a second on a motion in a board meeting to discuss important topics.

**Opposing Argument:** The Board is against this proposal as described in previous years, they strongly believe increasing the potential level of Board representation to the greater of two directors and 20% of the Board could have unintended effects that could negatively impact shareholder value, including promoting the use of proxy access to lay the groundwork for effecting a change of control, encouraging the pursuit of special interests at the expense of a holistic, long-term strategic view, or otherwise disrupting the effective functioning of the Board. According to the study cited by the proponent, only 65% of the companies in the S&P 500 have adopted proxy access. Moreover, among the companies that have adopted proxy access, there are many different models and approaches. For example, of the companies of any size that have adopted proxy access since January 1, 2015, 22% do not require a minimum of two director nominees. Their proxy access bylaws overall are well within the mainstream of public company practices and share similar features with the proxy access bylaws of many other companies. After closely monitoring proxy access developments and engaging with many of their largest shareholders, governance experts, and advisors to discuss evolving market practices and the preferences of their shareholders, the Board adopted enhancements to the "secondary" elements of the proxy access provisions in their bylaws in December 2016. These enhancements made it easier for shareholders to nominate proxy access candidates by eliminating the requirement that a nominating shareholder's loaned shares be recalled at the time the shareholder provides notice to Apple; eliminating the prohibition on re-nomination of a proxy access candidate if the candidate receives a low level of support at the annual meeting; limiting the circumstances under which the maximum number of proxy access candidates is reduced; extending the deadline by which nominating shareholders and proxy access candidates must provide certain information to Apple; narrowing the scope of a nominating shareholder's indemnification obligations; and limiting the discretion of the Board to unilaterally interpret the proxy access provisions.



**Analysis:** The Company appears to have amended its bylaws to meet what it considers market best practice, as well as making it easier, in most cases, for shareholders to nominate directors. While these changes are welcomed, there is still a concern that only one director can be nominated by shareholders unless Apple's board size increases, because the bylaws do not include the phrase "the greater of 20% or 2 directors". It is considered that a minimum of two directors is best practice. The resolution is reasonable and a vote for it is recommended.

Vote Cast: *For*

Results: For: 29.3, Abstain: 0.7, Oppose/Withhold: 70.0,

#### 5. Shareholder Resolution: True Diversity Board Policy

**Proposed by:** National Center for Public Policy Research. The shareholders of Apple Inc. (the "Company") request the Board adopt a policy to disclose to shareholders a description of the specific minimum qualifications that the Board's nominating committee believes must be met by a nominee to be on the board of directors; and each nominee's skills, ideological perspectives, and experience presented in a chart or matrix form. The disclosure shall be presented to the shareholders through the annual proxy statement and the Company's website within six (6) months of the date of the annual meeting and updated on an annual basis.

**Supporting Argument:** The Proponent argues that they believe that boards that incorporate diverse perspectives can think more critically and oversee corporate managers more effectively. By providing a meaningful disclosure about potential Board members, shareholders will be better able to judge how well-suited individual board nominees are for the Company and whether their listed skills, experience and attributes are appropriate in light of the Company's overall business strategy. True diversity comes from diversity of thought. There is ample evidence that the Company – and Silicon Valley generally – operate in ideological hegemony that eschews conservative people, thoughts, and values. This ideological echo chamber can result in group-think that is the antithesis of diversity. This can be a major risk factor for shareholders. They believe a diverse board is a good indicator of sound corporate governance and a well-functioning board. Diversity in board composition is best achieved through highly qualified candidates with a wide range of skills, experience, beliefs, and board independence from management. Furthermore, they are requesting comprehensive disclosures about board composition and what qualifications the Company seeks for its Board.

**Opposing Argument:** The Board is against this proposal as the role of our Board is to oversee the CEO and other senior management in the competent and ethical operation of Apple and to assure that the long-term interests of shareholders are being served. It has been elected a Board that consists of a highly qualified, diverse group of leaders in their respective fields, and the caliber of our Board members reflects the Board's rigorous process for evaluating and recommending potential nominees for election to the Board. It has broken down in the Proxy Statement a discussion of the specific skills, qualities, attributes, and experience that led the Board and the Nominating Committee to determine that it is appropriate to nominate each director for election to the Board. The Board regularly monitors the mix of skills and experience of its directors in order to assure that the Board has the necessary tools to perform its oversight function effectively. The Board also undertakes an annual self-evaluation process led by the independent Chairman of the Board. The Nominating Committee evaluates a variety of attributes, including independence; character; ability to exercise sound judgement; diversity; gender; age; demonstrated leadership; and relevant skills and experience, including financial literacy and other experience in the context of the needs of the Board. The skills, qualities, attributes, and experience that the Board evaluates when considering a potential nominee do not include "ideological perspectives." as they believe it is not relevant to the Board's oversight role or the nominee's ability to serve as an effective director. The Board believes that the additional disclosure requested by this proposal would not be necessary and relevant to the Board's process for identifying director candidates or be useful to shareholders in assessing the diversity of backgrounds, experiences, and attributes that should be, and are, represented on the Board.

**Analysis:** The potential benefits of board diversity lie in widening the perspectives on business issues brought to bear on decision-making, avoiding too great a similarity of attitude and helping companies understand their customers, marketplace, supply chain and workforces. Disclosure surrounding the board's composition and skills allows shareholders to consider the make-up of the board in the context of the long-term interests of the Company. The resolution merely asks for a board skills matrix, of the kind provided by many S&P 500 companies, such as Starbucks, which would effectively satisfy the proponent's request. Support for the resolution is recommended.

Vote Cast: *For*

Results: For: 1.7, Abstain: 1.4, Oppose/Withhold: 97.0,

**APPLIED MATERIALS INC AGM - 07-03-2019****4. Shareholder Resolution: Written Consent**

Action by written consent would circumvent the important deliberative process of a shareholder meeting. While it is considered that the Board should remain accountable to its shareholders; regardless of the method of communication chosen; there are concerns that using written consent could lead to minority shareholders losing the ability to have their say on matters affecting the company. On this basis it is advised to oppose. **Proposed by:** Kenneth Steiner

Shareholders request that the board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorise the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This written consent is to be consistent with applicable law and consistent with giving shareholders the fullest power to act by written consent consistent with applicable law. This includes shareholder ability to initiate any topic for written consent consistent with applicable law.

**Proponent's Supporting Argument:** The Proponent argues that taking action by written consent in lieu of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle. A shareholder right to act by written consent and to call a special meeting are two complimentary ways to bring an important matter to the attention of both management and shareholders outside the annual meeting cycle. Taking action by written consent saves the expense of holding a special shareholder meeting.

**Board's Opposing Argument:** The Board is against this proposal and has determined that support for this shareholder proposal is unwarranted, and further believes that this written consent proposal would unfairly enable holders to circumvent the protections, procedural safeguards and advantages provided to all shareholders through the Company's existing shareholder meeting process in a way that may be detrimental to shareholders.

**PIRC Analysis:** Action by written consent would circumvent the important deliberative process of a shareholder meeting. As a result; up to 49% of the Company's shareholders could be prevented from voting; or even receiving accurate and complete information; on important pending actions. While it is considered that the Board should remain accountable to its shareholders, regardless of the method of communication chosen, there are concerns that using written consent could lead to minority shareholders losing the ability to have their say on matters affecting the company. On this basis shareholders are advised to oppose.

Vote Cast: *Oppose*

Results: For: 49.8, Abstain: 0.8, Oppose/Withhold: 49.4,

## 4 Oppose/Abstain Votes With Analysis

### INTUIT INC. AGM - 17-01-2019

#### 1h. *Re-elect Brad D. Smith*

Executive Chairman. It is a generally accepted norm of good practice that the Chairman of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Holding an executive position is incompatible with this and a vote to Oppose is recommended.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 0.1, Oppose/Withhold: 3.2,

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

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

Vote Cast: *Oppose*

Results: For: 94.5, Abstain: 0.6, Oppose/Withhold: 4.9,

### COSTCO WHOLESALE CORPORATION AGM - 24-01-2019

#### 2. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 9.38% of audit fees during the year under review and 11.34% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.1, Oppose/Withhold: 1.6,

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

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

Vote Cast: *Oppose*

Results: For: 96.4, Abstain: 0.2, Oppose/Withhold: 3.3,

#### 4. *Approve the 2019 Incentive Plan*

The Board seeks to approve 2019 incentive plan to succeed the Restated 2002 plan and to continue to utilise stock-based incentive awards. The proposed plan contains policies including a fungible share pool with shares issued as RSUs counting as 1.75 shares against the total share limit, double-trigger change in control vesting for assumed awards, No repricing or cash-out of stock options without shareholder approval, no dividends paid on options or on unvested RSU awards, a limit on non-employee director cash and equity compensation, and no discounted stock options. The Board claims that the purpose of the plan is to allow selected

employees, directors and consultants to the Company to participate in the Company's future growth and success by offering them an opportunity to acquire stock in the Company in order to retain, attract and motivate them.

There are concerns with the stock awards section of the plan, which allows for accelerated vesting for long service rather than performance conditions, which is not considered best practice. The Remuneration committee will retain the right to grant awards that do not qualify as performance based compensation, which is also not considered best practice. While a cap on the maximum awards granted to non-employee directors is welcomed, the cap of 500,000 shares or USD 3 million is considered excessive. In addition, it is considered that non-employee directors should only receive the fixed fees for their board and committee responsibilities, and should not receive additional awards or variable compensation. While elements of the plan are welcomed, such as the introduction of double-trigger provisions in the event of a change of control, 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. Shareholders are advised to oppose.

Vote Cast: *Oppose*

Results: For: 71.6, Abstain: 0.2, Oppose/Withhold: 28.2,

### **WALGREENS BOOTS ALLIANCE AGM - 25-01-2019**

#### *1c.. Elect David J. Brailer*

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

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.2, Oppose/Withhold: 1.1,

#### *1d.. Elect William C. Foote*

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

Vote Cast: *Oppose*

Results: For: 96.4, Abstain: 0.2, Oppose/Withhold: 3.4,

#### *1e.. Elect Ginger L. Graham*

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

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.2, Oppose/Withhold: 1.1,

#### *1g.. Elect Dominic P. Murphy*

Non-Executive Director. Not considered independent he served as a partner at KKR, which was a controlling shareholder of Alliance Boots until its merger with the Company in December 2014. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 99.3, Abstain: 0.2, Oppose/Withhold: 0.5,

#### *1j.. Elect Nancy M. Schlichting*

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

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.2, Oppose/Withhold: 1.7,

*1k.. Elect James A. Skinner*

Executive Chairman. It is a generally accepted norm of good practice that the Chairman of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Holding an executive position is incompatible with this and a vote to Oppose is recommended.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.2, Oppose/Withhold: 1.1,

*2.. Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 50.95% of audit fees during the year under review and 39.60% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

Results: For: 91.7, Abstain: 0.2, Oppose/Withhold: 8.1,

*3.. Advisory Vote on Executive Compensation*

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

Vote Cast: *Oppose*

Results: For: 90.0, Abstain: 4.1, Oppose/Withhold: 6.0,

## **ACCENTURE PLC AGM - 01-02-2019**

*1c. Elect Marjorie Magner*

Non-Executive Director. Not considered independent as she has served on the Board for over nine years. There is sufficient independent representation on the Board. However, as there are concerns over the director's potential aggregate time commitments, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.4, Abstain: 0.2, Oppose/Withhold: 1.5,

*1d. Elect Nancy McKinstry*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 98.8, Abstain: 0.2, Oppose/Withhold: 1.0,

*1e. Elect Pierre Nanterme*

Chairman 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*

**1g. Elect Paula A. Price**

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 99.0, Abstain: 0.2, Oppose/Withhold: 0.8,

**1j. Elect Frank K. Tang**

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

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

**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: EEC. Based on this rating, it is recommended to oppose.

Vote Cast: *Oppose*

Results: For: 93.0, Abstain: 0.2, Oppose/Withhold: 6.8,

**6. Reissue of Treasury Shares subject to Pre-emption Rights**

The Board requests shareholders to authorise the price range at which the Company may re-allot any shares held in treasury as new shares of the Company. The authority provides that the minimum and maximum prices at which a treasury Class A ordinary share may be re-allotted are 95% and 120%, respectively, of the closing market price of the Class A ordinary shares on the NYSE the day preceding the day on which the relevant share is re-allotted. The authorisation expires after 18 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

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

**COMPASS GROUP PLC AGM - 07-02-2019**

**2. Approve the Remuneration Report**

Overall disclosure is adequate. The balance of CEO realised pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. However, the salary of the highest paid director, Gary Green is in the upper quartile of PIRC's comparator group and his variable pay for the Year Under Review is approximately 377.1% of salary, which is considered excessive. Additionally, the ratio of his pay compared to average employee pay is considered unacceptable at 177:1.

Rating: AD.

Based on this rating it is recommended that Suffolk oppose.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 1.2, Oppose/Withhold: 2.0,

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

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

Vote Cast: *Oppose*

Results: For: 94.8, Abstain: 0.2, Oppose/Withhold: 5.0,

### **EASYJET PLC AGM - 07-02-2019**

#### *14. Re-appoint PricewaterhouseCoopers LLP as auditors of the Company*

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

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.2, Oppose/Withhold: 2.2,

### **INFINEON TECHNOLOGIES AG AGM - 21-02-2019**

#### *5. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 15.79% of audit fees during the year under review and 20.93% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

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

### **SSP GROUP PLC AGM - 21-02-2019**

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

The remuneration report received significant opposition from shareholders amounting to 14.2%. The Company states that it engaged with shareholders on the remuneration policy, although it is unclear if other concerns regarding remuneration were addressed.

The change in the CEO's salary is in line with the rest of the Company as the increase in the CEO's salary as well as the average rise in UK employees was 2%. However, the CEO's salary is in the upper quartile of the Company's comparator group. The changes in CEO total pay under the last four years are not considered to

be in line with changes in TSR during the same period. Total variable pay for the year under review is excessive, amounting to 677% of salary for the CEO; this is over three times the recommended limit of 200% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 144:1; this significantly exceeds the recommended ratio of 20:1.

Rating: BD.

Based on this rating it is recommended that Suffolk oppose.

Vote Cast: *Oppose*

Results: For: 65.2, Abstain: 1.8, Oppose/Withhold: 33.0,

#### *4. Re-elect Vagn Sorensen*

Incumbent Chair. Not independent upon appointment as he is a Senior Industrial Advisor with EQT Partners which had an association with the Company; the Company states that this association is historic rather than current.

PIRC issue: In addition, he has served on the Board for over nine years. There are concerns over his time commitments as he serves on the Boards of numerous companies. At last year's AGM he received significant opposition from shareholders amounting to 29.3%. The Company addressed this stating that there was concern from shareholders over his time commitment issues, and stated that he stepped down from one of his external appointments. In spite of this, there are concerns over Mr Sorensen's independence and time commitments.

Vote Cast: *Oppose*

Results: For: 56.6, Abstain: 14.0, Oppose/Withhold: 29.4,

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

KPMG proposed. Non-audit fees represented 12.50% of audit fees during the year under review and 12.50% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

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

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

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

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.0, Oppose/Withhold: 2.2,

### **NOVARTIS AG AGM - 28-02-2019**

#### *2. Discharge the Board and the Executive Committee*

The Company is facing an investigation in Greece for inappropriate economic benefits, the consequences resulting from this investigation are unknown. The Company is facing a number of legal issues in other countries that have been disclosed in their annual report and the investigations are currently ongoing. Therefore, an abstain vote is recommended.



Vote Cast: *Abstain*

Results: For: 94.9, Abstain: 0.9, Oppose/Withhold: 4.2,

#### 5. Authorise Share Repurchase

The Board of Directors proposes that shareholders authorize the Board of Directors to launch an eighth share repurchase program to repurchase shares up to a maximum of CHF 10 billion until the Annual General Meeting in 2022. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.2, Oppose/Withhold: 1.6,

#### 7.2. Approve Maximum Remuneration of Executive Committee in the Amount of CHF 92 Million

The Board of Directors proposes that shareholders approve the maximum aggregate amount of compensation to be paid, promised or granted during, or in respect of, 2020 to the members of the Executive Committee, i.e. CHF 92,000,000.

Variable remuneration appears to be consistently capped, however the potential payout from the variable remuneration component could potentially reach over 200% of the fixed salary for executives, which is considered excessive. In addition, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.5, Abstain: 0.4, Oppose/Withhold: 6.0,

#### 7.3. Approve Remuneration Report

It is proposed to approve the remuneration policy with an advisory vote. Although variable remuneration appears to be consistently capped (at 200% of target), there are excessiveness concerns as variable remuneration target caps exceed 200% of base salary and the rewarded variable remuneration is above 200% of base salary contrary to best practice. In addition, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. On balance, an opposing vote is recommended.

Vote Cast: *Oppose*

Results: For: 94.6, Abstain: 0.4, Oppose/Withhold: 5.0,

#### 8.1. Re-elect Joerg Reinhardt as Chairman

It is proposed to re-elect Joerg Reinhardt as Chairman of the Board. In terms of good governance, it is considered that the Chairman should be a Board member that is considered to be independent. There is sufficient independent representation on the Board, however the Chairman has also been the Chief Operating Officer of the Company previously before moving with Bayer HealthCare AG. It is considered that current or past executive responsibilities are detrimental to the implementation of the supervisory functions required by the Chairmanship. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.5, Abstain: 0.3, Oppose/Withhold: 3.2,

#### 9.1. Re-elect Srikant Datar as a member of the Compensation Committee

This director is not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 91.8, Abstain: 0.5, Oppose/Withhold: 7.8,

**9.2. Re-elect Ann Fudge as a member of the Compensation Committee**

This director is not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.3, Oppose/Withhold: 2.1,

**10. Reappoint the Auditors**

PWC proposed. Non-audit fees were approximately 9.38% of audit fees during the year under review. Non-audit fees over a three year basis were approximately 8.45% of audit fees. The level of non-audit fees does not raise concerns. However, the auditors' term exceeds 10 years, which may create potential for conflict of interest on the part of the independent auditor. Opposition is thus recommended.

Vote Cast: *Oppose*

Results: For: 94.9, Abstain: 0.1, Oppose/Withhold: 4.9,

**B. Transact Any Other Business: instruct the independent proxy how to vote on alternative motions to those published in the Notice of Meeting.**

It is proposed to instruct the independent proxy to approve all Board proposals that may be included on the agenda, up until the time of the meeting. No proposals have been set forth at this time. Abstention is recommended.

Vote Cast: *Abstain*

**APPLE INC AGM - 01-03-2019**

**1c. Re-elect Al Gore**

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. There are concerns over the director's potential aggregate time commitments.

Vote Cast: *Oppose*

Results: For: 95.9, Abstain: 0.2, Oppose/Withhold: 3.9,

**1d. Re-elect Bob Iger**

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 98.6, Abstain: 0.2, Oppose/Withhold: 1.2,

**1e. Re-elect Andrea Jung**

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. There are concerns over the director's potential aggregate time commitments.

Vote Cast: *Oppose*

Results: For: 95.5, Abstain: 0.2, Oppose/Withhold: 4.3,

**1f. *Re-elect Art Levinson***

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

Vote Cast: *Oppose*

Results: For: 97.0, Abstain: 0.2, Oppose/Withhold: 2.8,

**1g. *Re-elect Ron Sugar***

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

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

**1h. *Re-elect Sue Wagner***

Non-Executive Director. Not considered independent to be connected with a significant shareholder: Susan L. Wagner serves on the board of BlackRock, which owns 6.76% of the Company's outstanding share capital. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.2, Oppose/Withhold: 0.7,

**2. *Appoint the Auditors***

EY proposed. Non-audit fees represented 13.98% of audit fees during the year under review and 12.72% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.3, Oppose/Withhold: 1.6,

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

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

Vote Cast: *Oppose*

Results: For: 93.3, Abstain: 0.4, Oppose/Withhold: 6.2,

**APPLIED MATERIALS INC AGM - 07-03-2019****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: EDC. Based on this rating, it is recommended that shareholders oppose.

Vote Cast: *Oppose*

Results: For: 95.9, Abstain: 0.2, Oppose/Withhold: 3.8,

### 3. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 9.47% of audit fees during the year under review and 4.04% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.3, Oppose/Withhold: 1.7,

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

Action by written consent would circumvent the important deliberative process of a shareholder meeting. While it is considered that the Board should remain accountable to its shareholders; regardless of the method of communication chosen; there are concerns that using written consent could lead to minority shareholders losing the ability to have their say on matters affecting the company. On this basis it is advised to oppose. **Proposed by:** Kenneth Steiner

Shareholders request that the board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorise the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This written consent is to be consistent with applicable law and consistent with giving shareholders the fullest power to act by written consent consistent with applicable law. This includes shareholder ability to initiate any topic for written consent consistent with applicable law.

**Proponent's Supporting Argument:** The Proponent argues that taking action by written consent in lieu of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle. A shareholder right to act by written consent and to call a special meeting are two complimentary ways to bring an important matter to the attention of both management and shareholders outside the annual meeting cycle. Taking action by written consent saves the expense of holding a special shareholder meeting.

**Board's Opposing Argument:** The Board is against this proposal and has determined that support for this shareholder proposal is unwarranted, and further believes that this written consent proposal would unfairly enable holders to circumvent the protections, procedural safeguards and advantages provided to all shareholders through the Company's existing shareholder meeting process in a way that may be detrimental to shareholders.

**PIRC Analysis:** Action by written consent would circumvent the important deliberative process of a shareholder meeting. As a result; up to 49% of the Company's shareholders could be prevented from voting; or even receiving accurate and complete information; on important pending actions. While it is considered that the Board should remain accountable to its shareholders, regardless of the method of communication chosen, there are concerns that using written consent could lead to minority shareholders losing the ability to have their say on matters affecting the company. On this basis shareholders are advised to oppose.

Vote Cast: *Oppose*

Results: For: 49.8, Abstain: 0.8, Oppose/Withhold: 49.4,

#### 1j. *Re-elect Dennis D. Powell*

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

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.3, Oppose/Withhold: 2.5,

#### 1g. *Re- elect Alexander A. Karsner*

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

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.3, Oppose/Withhold: 2.6,

1f. *Re- elect Thomas J. Iannotti*

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

Vote Cast: *Oppose*

Results: For: 96.6, Abstain: 0.3, Oppose/Withhold: 3.1,

1e. *Re -elect Stephen R. Forrest*

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

Vote Cast: *Oppose*

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

1c. *Re-elect Aart J. de Geus*

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

Vote Cast: *Oppose*

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

1b. *Re- elect Xum (Eric) Chen*

Non-Executive Director. Not considered independent owing to an aggregate tenure of over nine years as he served on the board of Varian Semiconductor Equipment Associates, Inc. from 2004 until its acquisition by the Company in 2011. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 99.4, Abstain: 0.1, Oppose/Withhold: 0.4,

**JAPAN TOBACCO INC AGM - 20-03-2019**

4.1. *Elect Nagata Ryouko*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

4.2. *Elect Yamamoto Hiroshi*

Newly nominated Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

4.3. *Elect Mimura Tooru*

Newly nominated Outside Corporate Auditor. Not considered to be independent. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

Vote Cast: *Oppose*

**SAMSUNG SDI CO LTD AGM - 20-03-2019****1. Approve Financial Statements**

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

**2. Elect Ahn Taehyuk**

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

**3. Advisory Vote on Executive Compensation**

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

**4. Amend Articles**

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

**SUNTORY BEVERAGE & FOOD LTD AGM - 28-03-2019****2.2. Elect Saitou Kazuhiro**

Newly nominated Executive Director. It is considered the responsibility of the most senior Board member to ensure that there is appropriate outside oversight of Board decisions. As there is less than one third independent presence on the board, opposition is recommended.

Vote Cast: *Oppose*

**4. Elect Alternate Director and Audit Committee Member Amitani, Mitsuhiro**

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

## 5 Appendix

The regions are categorised as follows:

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

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

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



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