

# Triodos Investment Management

Tox Free Solutions AGM Date: 2013-11-27

## 1. Approve the Remuneration Report

Abstain

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.

Disclosure: Overall disclosure is good. The policy statement is clear and concise.

Non-Executive Directors:

Total remuneration for all Non-Executive Directors is capped at A\$700,000. Total aggregate fees amounted to A\$351,592 for existing non-executive directors.

Balance: Short-Term Incentives:

In the year ended 30 June 2013, the performance measures for the STI cash bonus were linked to: Growth in Profitability; Working Capital; Return on Investment; Safety Performance; and Individual Performance Review. The maximum opportunity for the CEO was capped at 100% of base salary.

Long-Term Incentives:

The LTI dollar value that Senior Executives will be entitled to receive is set at a fixed percentage of their annual base salary and ranges from 25% to 50% depending on the participants' level and seniority. During the year ended 30 June 2013, the value of all long-term incentive awards granted under the LTIP was split evenly between share performance rights(SPR) and stock appreciation rights (SAR). Both SPR and SAR (collectively referred to as "Rights") have a performance period of three years. One half of the rights have a relative TSR hurdle and the other half has a EPS hurdle. For the EPS hurdle, 50% will vest at CAGR of 5% in EPS with full vesting at 10%. This hurdle is not considered challenging at the lower threshold as it is less than the 5 year growth rate in EPS for the Company. For the relative TSR hurdle, 50% vest at the 50th percentile with full vesting at the 75th percentile. It is noted that Company's share price has consistently out-performed the index against which it is judged. However, there is no vesting for less than median performance.

Contracts: Contracts for executives are in line with best practice. The notice period for executives is from one to 12 months. Termination notices period are from one to 12 months. Termination benefits include annual contractual remuneration including short-term incentive or an amount equal to the average remuneration received from the Company during the last 12 months prior to termination, whichever is the lesser amount.

Based on the concerns regarding the lack of challenging performance hurdles for the LTIP awards, Triodos abstains

<b>2. Re-elect Bob McKinnon</b> Independent Non-Executive Director	<b>For</b>
<b>3. Re-elect Kathy Hirschfeld</b> Independent Non-Executive Director	<b>For</b>
<b>4. Ratify issuance of shares</b> The Board is seeking shareholder approval for the purposes of ASX Listing Rule 7.4 and for all other purposes, the the shareholders ratify the issue and allotment of 13,607,595 Shares issued. ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the shares on issue. An exception is if, in a general meeting, the shareholders ratify the issuance. The price at which the shares were issued was A43.16 per share and done to raise A\$43 million. The funds raised were used to fund the acquisition of the assets and business of Wanless Enviro Services Pty Ltd, Smart Skip Pty. Ltd and Jones Enviro Services Pty Ltd and certain assets of Wanless Envior Asset Management Pty Ltd. The Board has provided adequate disclosure of the rationale for the issuance of the shares. Therefore, Triodos supports the proposal.	<b>For</b>
<b>5. Approve issue of performance rights and share appreciation rights to Mr. Stephen Gostlow</b> Based on the concerns regarding the lack of challenging performance hurdles for the LTIP awards (see agenda item 1), Triodos abstains.	<b>Abstain</b>