


Meeting Date:	Wed, 16 Apr 2014 11:30am	Type:	AGM	Issue date:	Tue, 08 Apr 2014
Meeting Location:	Glaziers Hall, 9 Montague Close, London Bridge, London SE1 9DD				
Current Indices:	FTSE SmallCap				
Sector:	Electrical Components & Equipment				

	PROPOSALS	ADVICE
1	<p>Receive the Annual Report Review meets guidelines. Adequate environmental and employment policies are in place and relevant, up-to-date, quantified environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organisation. Acceptable proposal.</p>	For
2	<p>Approve Remuneration Policy Disclosure: B</p> <p>Disclosure is acceptable.</p> <p>Balance of Incentives and Reward: D</p> <p>Total potential rewards under all incentive schemes are excessive as it can amount up to 325% of base salary under the new policy. There is no ratio disclosed regarding CEO pay compared to average employee pay. This ratio has been estimated and is considered to be excessive. The Performance Share Plan (PSP) is based on EPS and TSR targets, over a three-year performance period which is not considered sufficiently long-term. These targets operate independently from each other. It is considered best practice for long-term metrics to operate in a concurrent fashion.</p> <p>Contracts: C</p> <p>There are clawback provisions disclosed regarding the deferred share and the PSP awards only. However, there is no evidence of recovery provisions under which money already paid must be handed back under certain circumstances. In addition, the level of discretion given to the Remuneration Committee on termination payments raises concern. It can allow executives to be paid their bonuses and PSP awards on a pro-rata basis. Accelerated vesting of PSP awards may also be used at the discretion of the Remuneration Committee in the event of a change of control.</p> <p>Rating BDC Based on the concerns noted above, Triodos opposes this resolution.</p>	Oppose
3	<p>Approve the Remuneration Report All elements of each Director's cash remuneration as well as pension contributions are disclosed. All share incentive awards are fully disclosed with award date and price. There was no compensation payments made during the year under review. The significant changes in policy, such as the increase in the maximum cap for the Annual bonus, are fully explained in the Remuneration report. No annual bonus was paid during the year under review. As a consequence, the CEO total realised reward under all incentive schemes is considered acceptable. Rating: B Triodos supports this resolution.</p>	For
4	<p>Approve the dividend A final dividend of 9.5p per share is proposed to be paid, giving a total dividend for the year of 14.4p per share (2012: 13.5p per share). This is covered by earnings. Acceptable proposal.</p>	For

5	Appoint the auditors KPMG LLP appointed to replace KPMG Audit Plc. Non-audit fees represent approximately 50% of audit fees during the year under review and approximately 70% of audit fees over a three-year aggregate basis. This raises concerns over the independence of the auditor.	Oppose
6	Allow the board to determine the auditors remuneration Standard proposal.	For
7	To re-elect Bill Ronald Chairman of the Board. Independent upon appointment.	For
8	To re-elect Roy Burton Chief Executive Officer. Twelve months rolling contract.	For
9	To re-elect Robert Lambourne Independent Non-Executive Director.	For
10	To re-elect Richard Stuckes Independent Non-Executive Director.	For
11	To re-elect Stephen Bird Senior Independent Director.	For
12	To re-elect Tracey Graham Independent Non-Executive Director.	For
13	Approve Political Donations The Board is seeking authority to make political donations totalling £30,000. The authority would expire at the next AGM or 30 April 2015, whichever is earlier, and the Board does not intend to authorise any particular donation. Triodos does not support donations for political events and specific political parties as such contributions could be viewed as encouraging preferential treatment and interfering with the democratic process.	Oppose
14	Approve new long term incentive plan Shareholders are being asked to approve the new Performance Share Plan(PSP). The maximum award under this plan is set at 150% of base salary. The Performance share plan award is based on the achievement of EPS and TSR targets, over a three-year performance period which is not considered sufficiently long-term. These targets operate independently from each other. It is considered best practice for long-term metrics to operate in a concurrent fashion. The performance targets have been disclosed. In addition, the long-term incentive plan is not linked with non-financial KPIs. The level of discretion given to the Remuneration Committee raises concern as it can decide on: the participants in the plan, the amounts that should vest in case of termination of an Executive's contract, the performance condition for each Executive and if the participant should receive a dividend on the outstanding shares awarded. Due to the concerns noted above regarding the lack of concurrent performance conditions and the short vesting schedule as well as the discretion granted to the Committee, Triodos does not support this resolution.	Oppose
15	Approve Dialight Sharesave Plan Shareholders are being asked to approve the UK Dialight Sharesave Plan, an all employee option scheme. An eligible employee who applies for an option under the UK Sharesave Plan must also enter into a Treasury approved savings contract for a specified period of three or five years. Under the contract, the employee will agree to make monthly savings contributions of a fixed amount which is set by the Board, which may not exceed the statutory maximum (£250 per month reverting to £500 per month from 6 April 2014).	For
	<p>Although it is considered best practice for all-employee schemes to be available to employees without subscription, it is welcomed that employees can all participate in business success on an equal basis. Triodos supports this resolution.</p>	

16	Approve Dialight Sharesave Plan outside the UK Shareholders are being asked to approve the International Dialight Sharesave Plan, an all employee option scheme. In line with the voting recommendation on resolution 16 and as this plan should be open to all employees on an equal basis, Triodos supports this resolution.	For
17	Issue shares with pre-emption rights Authority is limited to 33% of the issued share capital plus an additional 33% if in connection with an offer by way of a rights issue, and will expire at the next AGM. In case this further authority is used, it is best practice for all directors to stand for re-election at the next AGM. Acceptable proposal.	For
18*	Issue shares for cash Authority is limited to 5% of the issued share capital and will expire at the next AGM. Within limits.	For
19*	Authorise Share Repurchase Authority is limited to 10% of the issued share capital and will expire at the next AGM. Within limits.	For
20*	Meeting notification related proposal The proposed resolution reflects the implementation of the EU Shareholder Rights Directive into English law, which took place on 3 August 2009 as implemented by the company in its Articles of Association. Under the regulations, the minimum notice period for general meetings (other than Annual General Meetings) will increase to 21 days unless shareholders agree on a shorter notice period, in which case it may be 14 days. Shareholder approval is sought to call general meetings on 14 clear days notice. 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. Although the proposed change is permissible by the Companies Act, Triodos votes against this resolution.	Oppose

* = **Special resolution**

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