Triodos Investment Management

SHANKS GROUP PLC

Meeting Date:	Fri, 25 Jul 2014 11:00am	Type:	AGM	Issue date:	Mon, 14 Jul 2014
Meeting Location:	Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA				
Current Indices:	FTSE SmallCap				
Sector:	Waste & Disposal Services				

	PROPOSALS	ADVICE
1	**Receive the Annual Report** Strategic Report 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.	**For**
2	**Approve Remuneration Policy** Disclosure is acceptable. Awarded CEO pay is not considered in line with Company's financial performance over the last five years. Total potential rewards under all incentive schemes are excessive as it can amount up to 300% of salary (350% in exceptional circumstances). The ratio of CEO pay to average employee pay is considered slightly excessive at 22:1. The Company's LTIP applies performance conditions which are based on Earnings Per Share (EPS) with a share price growth multiplier. The use of a share price multiplier is not considered appropriate to reward Executives' performance given that the correlation between share price and Company financial performance is often beset by exogenous factors that can sometimes override executive performance. Upside discretion can be used by the Committee when determining severance payments. The Company's recruitment policy also allows for the replication of new appointees' forfeited schemes at their previous employers, which is an inappropriate practice. Rating: BDC. Based on the potentially excessive rewards and the ability of the committee to use upside discretion Triodos does not support this resolution.	**Oppose**
3	**Approve the Remuneration Report** The actual variable element of the CEO paid during the year is less than 200% of salary, which is considered acceptable. Disclosure of figures in respect of the individual elements of Directors combined remuneration is adequate. All share incentive awards are fully disclosed with award dates and prices. Changes in policy are fully explained which is welcomed. No compensation payments were made during the year under review. Rating: B. As the amounts actually paid are not excessive and there is full disclosure, Triodos supports this resolution.	**For**
4	**Approve the dividend** A final dividend of 2.35p per share is proposed. This will bring the total dividend for the year under review to 3.45p per share. Covered by retained earnings. Acceptable proposal.	**For**
5	**To re-elect Mr Adrian Auer** Incumbent Chairman. Independent upon appointment.	**For**
6	**To re-elect Mr Eric van Amerongen** Senior Independent Director. Considered independent. However, there are concerns over his potential aggregate time commitments.	**Abstain**
7	**To re-elect Mr Jacques Petry** Independent Non-Executive Director.	**For**
8	**To re-elect Dr Stephen Riley** Independent Non-Executive Director.	**For**

9	**To re-elect Ms Marina Wyatt** Independent Non-Executive Director.	**For**
10	**To re-elect Mr Peter Dilnot** Chief Executive Officer. 12 months rolling contract.	**For**
11	**To re-elect Mr Toby Woolrych** Finance Director. 12 months rolling contract.	**For**
12	**Appoint the auditors** PricewaterhouseCoopers LLP proposed for re-election. The total non-audit fees were approximately 17% of audit fees during the year under review, and the three year average is 28%. This level of non-audit fees raises concerns over the independence of the auditor. Therefore, an abstain vote is recommended.	**Abstain**
13	**Allow the board to determine the auditors remuneration** Standard proposal.	**For**
14	**Approve Political Donations** The proposed authority is subject to an overall aggregate limit on donations and expenditure of £25,000. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. 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**
15	**Issue shares with pre-emption rights** The authority is limited to one third of the share capital and another third in connection with a Rights Issue. This is in line with normal market practice and expires at the next AGM. All directors are standing for annual re-election. Acceptable proposal.	**For**
16*	**Issue shares for cash** Authority is limited to 5% of the issued share capital and will expire at the next AGM. Acceptable proposal.	**For**
17*	**Authorise Share Repurchase** Authority is limited to 10% of the issued share capital and will expire at the next AGM. Acceptable proposal.	**For**
18*	**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. **** = Special resolution***	**Oppose**

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