

<b>MEETING DATE</b>	Thu, 25 Jun 2015 11:00 am	<b>TYPE</b>	AGM	<b>ISSUE DATE</b>	Wed, 17 Jun 2015
<b>MEETING LOCATION</b>	The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE				
<b>CURRENT INDICES</b>	FTSE 100				
<b>SECTOR</b>	Speciality Finance				

<b>PROPOSALS</b>		<b>ADVICE</b>
<b>1</b>	<b>Receive the Annual Report</b> Strategic Report meets guidelines. Adequate environmental and employment policies are in place and relevant, up-to-date, quantified environmental reporting is disclosed. It is recommended that Triodos support this resolution.	<b>For</b>
<b>2</b>	<b>Approve the Remuneration Report</b> Changes in CEO pay over the last five years are not considered in line with changes in Company's TSR performance. Also, the CEO's overall remuneration pay is considered highly excessive. His total pay for the year under review is £8,278,000. It is noted that a major reason for the quantum of variable pay disclosed is the increase in share price from 197p per share at the time the 2012 LTIP award was granted to the 482.4p share price at 31 March 2015 used to value the award for the single figure remuneration table. The CEO's variable pay for the year under review represents 13.67 times his salary which is deemed inappropriate. The CEO's maximum opportunity, based on this year's LTIP award and annual bonus, is 875% of salary which is well above the acceptable limit of 200% of salary. It is also noted that part of the CEO pay comprised long-term element which was not based on any performance conditions (2011 recruitment award) which is contrary to best practice. Finally, face value and date of award for each outstanding award are not disclosed. Rating: BE. Due to the excessive CEO remuneration, Triodos does not support this resolution.	<b>Oppose</b>
<b>3</b>	<b>Approve the dividend</b> A final dividend of 14p per share is proposed. This brings the total dividend for the year under review to 20p per share. Covered by earnings. Acceptable proposal.	<b>For</b>
<b>4</b>	<b>Elect Mr J P Asquith</b> Senior Independent Director. Considered independent. Acceptable proposal.	<b>For</b>
<b>5</b>	<b>Elect Mrs C J Banszky</b> Independent Non-Executive Director. Acceptable proposal.	<b>For</b>
<b>6</b>	<b>Elect Mr S A Borrowes</b> Chief Executive Officer. 12 months rolling contract. Acceptable proposal.	<b>For</b>
<b>7</b>	<b>Elect Mr A R Cox</b> Independent Non-Executive Director. Acceptable proposal.	<b>For</b>
<b>8</b>	<b>Elect MR D A M Hutchison</b> Independent Non-Executive Director. Acceptable proposal.	<b>For</b>
<b>9</b>	<b>Elect Mr S R Thompson</b> Chairman. Independent upon appointment. Acceptable proposal.	<b>For</b>
<b>10</b>	<b>Elect Ms M G Verluyten</b> Independent Non-Executive Director. Acceptable proposal.	<b>For</b>
<b>11</b>	<b>Elect Mrs J S Wilson</b> Group Finance Director. 12 months rolling contract. Acceptable proposal.	<b>For</b>

<b>12</b>	<b>Appoint the auditors: Ernst &amp; Young LLP</b> Non-audit fees represented 50.00% of audit fees during the year under review and 31.67% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. Also, the auditor has been in place since 1994. Rotation of the audit firm after a period of ten years is normally considered best practice. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Triodos does not support this resolution.	<b>Oppose</b>
<b>13</b>	<b>Allow the board to determine the auditors remuneration</b> Standard proposal.	<b>For</b>
<b>14</b>	<b>Approve Political Donations</b> The proposed authority is subject to an overall aggregate limit on political donations and expenditure of £20,000. 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.	<b>Oppose</b>
<b>15</b>	<b>Issue shares with pre-emption rights</b> 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.	<b>For</b>
<b>16*</b>	<b>Issue shares for cash</b> Authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. The proposed limit is considered excessive. Triodos does not support this resolution.	<b>Oppose</b>
<b>17*</b>	<b>Authorise Share Repurchase</b> Authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. Within acceptable limits. Acceptable proposal.	<b>For</b>
<b>18*</b>	<b>Meeting notification related proposal</b> 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, it does not meet Triodos guidelines. Triodos does not support this resolution;  <i>* = Special resolution</i>	<b>Oppose</b>

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## SUPPORTING INFORMATION FOR RESOLUTIONS

### Proposal 5 - Elect Mrs C J Banszky

It is noted that she missed one audit committee meeting that she was eligible to attend. The Company provided adequate explanation for her absence.

### Proposal 7 - Elect Mr A R Cox

A remuneration committee member who is an executive director elsewhere is considered likely to be a beneficiary of a defective remuneration scheme, as well as less likely in general to wish to see a reduction in executive remuneration, not least with the comparison of salaries between companies, rather than a going rate for the job based on open advertising. There is a perceived conflict as these individuals have a personal interest in maintaining the status quo in pay setting and pay levels in companies.

### Proposal 9 - Elect Mr S R Thompson

The role of the chairman is considered to be crucial to good governance as they are primarily responsible for the culture of the board, and by extension the organisation as a whole and for ensuring that the board operates effectively. As such we consider the chairman should be expected to commit a substantial proportion of his or her time to the role.

### Proposal 16 - Issue shares for cash

The Company has stated that this authority will only be used in respect of more than 5% of the issued share capital to fund one or more acquisitions or specified capital investments. This follows the Pre-Emption Group Guidelines.

**Proposal 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.

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