Triodos Investment Management

EXPRESS SCRIPTS HOLDING COMPANY

MEETING DATE	Wed, 06 May 2015 8:00 am	TYPE	AGM	ISSUE DATE	Mon, 04 May 2015
MEETING LOCATION	One Express Way, Saint Louis, Missouri 63121				
CURRENT INDICES	S&P500				
SECTOR	Drug stores and proprietary stores				

	PROPOSALS	ADVICE
1a	**Elect Gary G. Benanav** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	**Oppose**
1b	**Elect Maura C. Breen** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	**Oppose**
1c	**Elect William J. DeLaney** Independent Non-Executive Director.	**For**
1d	**Elect Elder Granger** Independent Non-Executive Director. He is being newly elected to the Board and his appointment will not improve the gender balance as less than 20% of the Board are women. Triodos opposes this resolution.	**Oppose**
1e	**Elect Nicholas J. LaHowchic** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	**Oppose**
1f	**Elect Thomas P. Mac Mahon** Lead Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board. He is chair of the Nomination committee and the new appointment to the Board does not improve the gender balance on the board. Triodos opposes this resolution.	**Oppose**
1g	**Elect Frank Mergenthaler** Independent Non-Executive Director.	**For**
1h	**Elect Woodrow A. Myers Jr.** Independent Non-Executive Director.	**For**
1i	**Elect Roderick A. Palmore** Independent Non-Executive Director. He was appointed to the Board since the last AGM and his appointment did not improve the gender balance as less than 20'% of the Board are women. Triodos opposes this resolution.	**Oppose**
1j	**Elect George Paz** 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. Triodos opposes this resolution.	**Oppose**
1k	**Elect William L. Roper** Independent Non-Executive Director.	**For**
1l	**Elect Seymour Sternberg** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	**Oppose**

2 Appoint the auditors **Oppose**

PwC proposed. Non-audit fees represented 3.04% of audit fees during the year under review and 2% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditors. 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. An oppose vote is recommended.

3 Advisory vote on executive compensation **Oppose**

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: BDA

Performance targets that determine the award of performance based cash bonuses are not considered challenging. For 2014, the EPS target was exceeded, although the Committee used its downward discretion to reduce the actual payout of each award. As a result, George Paz received an annual cash bonus of $1,392,233, 75% of target, Timothy Wentworth received an annual cash bonus of 775,683, 75% of target, Keith Ebling received an annual bonus of 662,540, 100% of target, Sara Wade received an annual bonus of 387,029, 90% of target and Cathy Smith received an annual bonus of 579,225, 90% of target. The vesting of performance shares is insufficiently broad to ensure that superior awards reflect superior performance, as executives may receive 100% of target payout for median performance which is considered excessive. Stock options vest in three equal annual instalments and provide value if the stock price increases after the grant date. Restricted stock units vest in three equal annual instalments.

The company does not have a ’claw back’ policy. .

Based on the above concerns, Triodos opposes this resolution.

4 Shareholder Resolution: political disclosure and accountability **For**

Proposed by Express Scripts. The Proponent request the Board of Directors to prepare a report disclosing the Company’s policies and procedures for making political contributions and expenditures with corporate funds and the monetary and non-monetary political contributions or expenditures that could not be deducted as an "ordinary and necessary" business expense under section 162(e) of the Internal Revenue Code. The Proponent considers that such disclosure is in the best interest of the Company and its shareholders and not providing such information may expose the Company to reputational and business risks. The Proponent argues that the Company’s current disclosure is insufficient as does not include: list of trade associations to which it belongs and how much it gave to each, payments to any other third-party organization and any independent expenditure made directly by the Company. The Board recommends shareholders oppose and argues that the Company currently provides s a report which is available on the Company’s website disclosing contributions made during the covered period to political candidates, political parties, political committees, ballot measures and other political entities organized and operating under 26 U.S.C. Section 527 of the Internal Revenue Code. In addition to that, the Board argues that the Company intends to enhance its disclosure prior to the Annual Meeting by making available on its website the Company’s policy Regarding Corporate Political Contributions, the non-deductible portion of membership dues and expenses paid to political parties, political committees and trade associations and any non-deductible additional payments, in excess of membership dues and expenses paid to political parties, political committees and trade associations.

It is considered that the resolution is reasonable in scope and that transparency in this area benefits the Company and its shareholders. Acceptable proposal.

5 Shareholder Resolution: independent board chairman **For**

Proposed by: Not Disclosed. The Proponents request the Board of Directors to adopt as policy to require the Chair of the Board of Directors to be an independent member of the Board. The Proponents argue that combining these roles in a single person weakens a corporation's governance structure, which can harm shareholder value. The Proponents consider that combined roles at the top of the company creates a potential conflict of interest, resulting in excessive management influence on the Board and weaker oversight of management. The Board recommends shareholders oppose and argues that adoption of the proposal would limit the board's ability to select the director best suited to serve as chair and would impose an unnecessary restriction on the board that is not in the best interests of the Company or its shareholders. In addition, the Board argues that, the Company's Corporate Governance Guidelines ensure that the Company conducts its business in accordance with the highest governance standards. These include a strong independent Presiding Director, a majority independent board, and fully independent key committees. The Board considers that the current flexible approach to board governance best serves the interests of the shareholders and the Presiding Director enhances the role of independent directors in corporate governance.

The separation of roles by adopting a policy to have an independent Chairman is viewed as being best practice in corporate governance. It is noted, moreover, that the Lead Director is not considered to be independent owing to length of tenure and there are insufficient independent directors on the Board. Acceptable proposal.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 3 - Advisory vote on executive compensation

Advisory Vote on Executive Compensation

Disclosure: B- In fiscal 2014 executive performance-based cash bonus awards were based on the achievement of a minimum EPS target during the performance year. For 2014, EPS target was $1.75. In fiscal 2014, annual long-term incentive equity awards were granted under the 2011 LTIP in the form of stock options, restricted stock units and performance shares. Performance shares are based on the Company's performance with respect to three-year total shareholder return relative to the Company's industry peer group, a three-year compound annual growth in EPS and a three-year average return on invested capital. Specific targets are disclosed in the compensation analysis.

Balance: D- Performance targets that determine the award of performance based cash bonuses are not considered challenging. For 2014, the EPS target was exceeded, although the Committee used its downward discretion to reduce the actual payout of each award. As a result, George Paz received an annual cash bonus of $1,392,233, 75% of target, Timothy Wentworth received an annual cash bonus of 775,683, 75% of target, Keith Ebling received an annual bonus of 662,540, 100% of target, Sara Wade received an annual bonus of 387,029, 90% of target and Cathy Smith received an annual bonus of 579,225, 90% of target. The vesting of performance shares is insufficiently broad to ensure that superior awards reflect superior performance, as executives may receive 100% of target payout for median performance which is considered excessive. Stock options vest in three equal annual installments and provide value if the stock price increases after the grant date. Restricted stock units vest in three equal annual installments.

Contract: A- The company does not have a 'claw back' policy.

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