


## GREAT PORTLAND ESTATES PLC

MEETING DATE	Thu, 07 Jul 2016 11:30 am	TYPE	AGM	ISSUE DATE	Mon, 27 Jun 2016
MEETING LOCATION	Chandos House, 2 Queen Anne Street, London W1				
CURRENT INDICES	FTSE MidCap				
SECTOR	Industrial & Office REITs				

	PROPOSALS	ADVICE
1	<p><b>Receive the Annual Report</b> Strategic report meets guidelines. Adequate employment and environmental 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><b>Approve the Dividend</b> A final dividend of 5.6 pence per share is proposed, which brings the total dividend for the year under review to 9.2 pence per share. This payment is covered by earnings.</p>	For
3	<p><b>Approve the Remuneration Report</b> <b>Disclosure:</b> Overall disclosure is acceptable. However, accrued dividends are not separately categorised. <b>Balance:</b> CEO total realised variable pay is considered excessive at 365% of salary (annual bonus: 150%, LTIP &amp; SMP: 215%). CEO total share incentive awards for the year are considered excessive at 300% of salary (LTIP &amp; SMP). The CEO's salary is considered in the upper quartile of a peer comparator group. The balance of CEO realized pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. Rating: AD. CEO total realised variable pay is considered excessive at 365% of salary (annual bonus: 150%, LTIP &amp; SMP: 215%). CEO total share incentive awards for the year are considered excessive at 300% of salary (LTIP &amp; SMP). The CEO's salary is considered in the upper quartile of a peer comparator group. Based on these concerns, Triodos opposes this resolution.</p>	Oppose
4	<p><b>Re-elect Toby Courtauld</b> Chief Executive. Twelve months rolling contract.</p>	For
5	<p><b>Re-elect Nick Sanderson</b> Finance Director. Twelve months rolling contract.</p>	For
6	<p><b>Re-elect Neil Thompson</b> Portfolio Director. Twelve months rolling contract.</p>	For
7	<p><b>Re-elect Martin Scicluna</b> Chairman. Not considered independent on appointment. Mr Scicluna is Board Chairman of RSA Plc, another FTSE 350 listed company. This raises concerns about his external time commitments and effective representation of corporate cultures, as the Chairman should be expected to commit a substantial proportion of his time to the role. He is chair of the Nomination committee and less than 20% of the Board are women which Triodos does not support.</p>	Oppose
8	<p><b>Re-elect Elizabeth Holden</b> Independent non-executive director.</p>	For
9	<p><b>Re-elect Charles Philipps</b> Senior Independent Director. Considered independent. There is insufficient independent representation on the Board. He is chair of a committee which is not fully independent which Triodos does not support.</p>	Oppose

<b>10</b>	<b>Re-elect Jonathan Short</b> Non-Executive Director. Not considered independent as he has served on the Board for more than nine years. There is insufficient independent representation on the Board. He is chair of a committee which is not fully independent which Triodos does not support.	<b>Oppose</b>
<b>11</b>	<b>Appoint the Auditors</b> Deloitte proposed. Non-audit fees represented 5.24% of audit fees during the year under review and 44.36% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. Furthermore, 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.	<b>Oppose</b>
<b>12</b>	<b>Allow the Board to Determine the Auditor's Remuneration</b> Standard proposal.	<b>For</b>
<b>13</b>	<b>Issue Shares with Pre-emption Rights</b> The authority is limited to 33% of the share capital and another 33% in connection with a Rights Issue. All directors are standing for annual re-election. This resolution is in line with normal market practice and expires at the next AGM. Acceptable proposal.	<b>For</b>
<b>14*</b>	<b>Issue Shares for Cash</b> Authority is limited to 5% of the Company's issued share capital and will expire at the next AGM. It is considered best practice that the general authority to issue shares for cash be sought in a separate resolution than the authority to issue shares for cash in connection with an acquisition or specified capital investment. The split between resolutions 14 and 15 into two separate authorities is therefore welcomed. Acceptable proposal.	<b>For</b>
<b>15*</b>	<b>Issue Shares for Cash in connection with an acquisition or specified capital investment</b> The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority is sufficient enough. Best practice is to seek special authority from shareholders in relation to specific transactions if such situations arise. Otherwise, the Company should use the general authority, as described in resolution 14, to finance small transactions. Triodos opposes this resolution.	<b>Oppose</b>
<b>16*</b>	<b>Authorise Share Repurchase</b> The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. Acceptable proposal.	<b>For</b>
<b>17*</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, Triodos does not support this resolution. <i>* = Special resolution</i>	<b>Oppose</b>

## SUPPORTING INFORMATION FOR RESOLUTIONS

### Proposal 7 - Re-elect Martin Scicluna

The role of chairman is considered to be crucial to good governance as chairmen 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 the chairman should be expected to commit a substantial proportion of his or her time to the role. A chair of more than one large public company cannot effectively represent corporate cultures which are potentially diverse and the possibility of having to commit additional time to the role in times of crisis is ever present, particularly in diverse international, complex and heavily regulated groups or groups which are undergoing significant governance changes.

### Proposal 17 - 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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