


## BEIJING ENTERPRISES WATER GR

MEETING DATE	Thu, 01 Jun 2017 15:00 pm	TYPE	AGM	ISSUE DATE	Wed, 17 May 2017
MEETING LOCATION	66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong				
CURRENT INDICES	PIRC SE Asia				
SECTOR	Sewerage systems				

	PROPOSALS	ADVICE
1	<b>Receive the Annual Report</b> Disclosure is considered adequate and the report was made available sufficiently before the meeting. The financial statements have been audited and certified. A vote in favour is recommended.	For
2	<b>Approve the Dividend</b> A final dividend of HK6.0 cents per share is proposed, which brings the total dividend for the year under review to HK11.9 cents per share. This payment is covered by earnings.	For
3.i	<b>Elect Mr Zhang Tiefu</b> Executive Director.	For
3.ii	<b>Elect Ms. Qi Xiaohong</b> Executive Director. Member of the Remuneration Committee. It is considered best practice that the Committee should only comprise independent non-executive directors. An oppose vote is recommended.	Oppose
3.iii	<b>Elect Mr. Ke Jian</b> Executive Director.	For
3.iv	<b>Elect Mr. Zhang Gaobo</b> Non-Executive Director. Not considered to be independent as he has served on the Board for more than nine years. There is insufficient independent representation on the Board. Also, there are concerns about his aggregate time commitments. Triodos opposes this resolution.	Oppose
3.v	<b>Elect Mr. Wang Kaijun</b> Independent Non-Executive Director.	For
3.vi	<b>Authorise the Board of Directors to Fix the Directors' Remuneration</b> Standard proposal.	For
4	<b>Appoint the Auditors and Allow the Board to Determine their Remuneration</b> EY proposed. Non-audit fees represented 39.81% of audit fees during the year under review and 13.71% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than seven years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.	Oppose
5	<b>Authorise Share Repurchase</b> The authority is limited to 10% of the share capital and expires at the next AGM. This is within recommended limits.	For
6	<b>Approve General Share Issue Mandate</b> The authority is limited to 20% of the share capital and expires at the next AGM. The authority exceeds recommended limits. An oppose vote is recommended.	Oppose
7	<b>Extend the General Share Issue Mandate to Repurchased Shares</b> The directors seek authority to re-issue under the authority granted in proposal 6 those shares repurchased under the authority granted by proposal 5. The effect of the proposal, if approved, would be to extend the limit for issuance of shares from 20% to 30% of issued share capital. Given the concerns over dilution of the shareholder rights, opposition is recommended.	Oppose

**8 Amend Articles**

**For**

Approval is sought to amend the Bye-Laws of the Company in order to include the provisions for the appointment of multiple proxies or corporate representatives by a recognised clearing house (or its nominee(s)) which is a member of the Company to vote at general meetings of the Company. Bye-Law 79 and Bye-Law 86A will be deleted and substituted by new Bye-Laws. No major corporate governance concerns are identified. Support is recommended.

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**SUPPORTING INFORMATION FOR RESOLUTIONS**

**Proposal 1 - Receive the Annual Report**

As part of good corporate governance, it is recommended that there should be sufficient female representation on the Board. At only 7%, the Company is encouraged to address this issue.

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