


## GREAT PORTLAND ESTATES PLC

MEETING DATE	Thu, 06 Jul 2017 11:30 am	TYPE	AGM	ISSUE DATE	Thu, 22 Jun 2017
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. Triodos supports this resolution.</p>	For
2	<p><b>Approve the Dividend</b> A final dividend of 6.4 pence per share is proposed, which brings the total dividend for the year under review to 10.1 pence per share. This payment is covered by earnings.</p>	For
3	<p><b>Approve the Remuneration Report</b> Overall disclosure is adequate. The balance of CEO realized pay with financial performance is considered to be acceptable. Total variable pay for the year under review was acceptable, and the ratio of CEO pay compared to average employee pay is acceptable, standing at 6:1. However, the increase in CEO salary is not in line with the rest of the Company, as the CEO's salary increased by 1.99%, while average employee pay fell by 32.35%, and the CEO's salary is in the upper quartile of the Company's comparator group. Rating: AC. Triodos abstain this resolution.</p>	Abstain
4	<p><b>Approve Remuneration Policy</b> Overall disclosure is adequate. Total potential variable pay is excessive, as it surpasses the recommended limit of 200% of salary, currently standing at 450% of salary. The Company uses three performance conditions for the LTIP, though a non-financial element has not been included. The performance period is not considered to be sufficiently long-term, though a post-vesting holding period of two years has been introduced, which is welcomed. The annual bonus is not subject to share deferral. In addition, the performance measures for the annual bonus are not interdependent. The maximum limit for pension contributions and entitlements, despite the reduction, is still excessive. With regard to contracts, there is no evidence that upside discretion can not be used while determining severance. Rating: ADD. Triodos opposes this resolution.</p>	Oppose
5	<p><b>Re-elect Toby Courtauld</b> Chief Executive. 12 months rolling contract.</p>	For
6	<p><b>Re-elect Nick Sanderson</b> Finance Director. 12 months rolling contract.</p>	For
7	<p><b>Re-elect Martin Scicluna</b> Chairman. 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 Charles Philipps</b> Senior Independent Director. Considered independent.</p>	For

<b>9</b>	<b>Re-elect Jonathan Short</b> Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board. He is chair of the Remuneration committee which is not fully independent which Triodos does not support.	<b>Oppose</b>
<b>10</b>	<b>Elect Wendy Becker</b> Independent Non-Executive Director.	<b>For</b>
<b>11</b>	<b>Elect Nick Hampton</b> Independent Non-Executive Director. He is newly appointed to the Board and his appointment does not improve the gender balance on the Board which Triodos does not support. He is chair of the Audit committee which is not fully independent which Triodos does not support.	<b>Oppose</b>
<b>12</b>	<b>Elect Richard Mully</b> Independent Non-Executive Director. He is newly appointed to the Board and his appointment does not improve the gender balance on the Board which Triodos does not support.	<b>Oppose</b>
<b>13</b>	<b>Appoint the Auditors</b> Deloitte proposed. Non-audit fees represented 10.29% of audit fees during the year under review and 22.84% on a three-year aggregate basis. This level of non-audit fees does not raise serious 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.	<b>Oppose</b>
<b>14</b>	<b>Allow the Board to Determine the Auditor's Remuneration</b> Standard proposal.	<b>For</b>
<b>15</b>	<b>Amend the rules of The Great Portland Estates 2010 Long Term Incentive Plan</b> It is proposed to make the following amendments to the plan: increase the individual limit on the market value of shares subject to all awards which can be granted in a financial year from 200% to a maximum of 300% of annual basic salary; introduce a two year holding period to future LTIP awards; and extend the circumstances in which malus provisions can be applied to LTIP awards. There are some positive aspects to the proposed amendments, namely the introduction of a two year holding period, and the strengthening of malus provisions. However, the increase in the maximum opportunity is excessive and therefore unwelcomed. Triodos opposes this resolution.	<b>Oppose</b>
<b>16</b>	<b>Issue Shares with Pre-emption Rights</b> The authority is limited to one third of the Company's issued share capital. This cap can increase to two-third of the issued share capital if shares are issued in connection with an offer by way of 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. Triodos supports this resolution.	<b>For</b>
<b>17</b>	<b>Approve Increase in Non-executives Fees</b> Authority is sought to increase the limit of the aggregate remuneration cap for Non-Executive Directors from £600,000 to £750,000. The aggregate fees paid to the Non-Executive Directors during the year are £512,000. The proposed new limit would represent a 25% increase on the current limit and would provide headroom for a 14.7% increase in fees. The purpose of the limit is to act as a barrier for excessive fee increases. Although the proposed increase is considered potentially excessive, there have been new appointments to the Board. Triodos supports this resolution.	<b>For</b>
<b>18*</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. Within acceptable limits.	<b>For</b>

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|------------|--|---------------|
| <b>19*</b> | <b>Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment</b><br>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 a specified capital investment. Such a proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, Triodos opposes this resolution. | <b>Oppose</b> |
| <b>20*</b> | <b>Authorise Share Repurchase</b><br>The authority is limited to 14.32% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, Triodos opposes this resolution.  | <b>Oppose</b> |
| <b>21*</b> | <b>Meeting Notification-related Proposal</b><br>Proposal to call general meetings on 14 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. However, as the proposed change is permissible by the Companies Act, Triodos supports this resolution.<br><br><i>* = Special resolution</i>   | <b>For</b>    |
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## SUPPORTING INFORMATION FOR RESOLUTIONS

### **Proposal 19 - Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment**

The Company has stated that this additional authority will only be used to fund one or more acquisitions or specified capital investments, in line with the Pre-Emption Group Guidelines. This recommendation is not supported by PIRC.

### **Proposal 21 - 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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