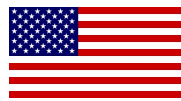


<b>MEETING DATE</b>	Thu, 30 May 2019 14:00	<b>TYPE</b>	AGM	<b>ISSUE DATE</b>	Thu, 23 May 2019
<b>MEETING LOCATION</b>	www.virtualshareholdermeeting.com/TDOC2019				
<b>CURRENT INDICES</b>	PIRC Global				
<b>SECTOR</b>	Offices and clinics of doctors of medicine				

## COMPANY OVERVIEW

Teladoc, Inc. is a telehealth company. The Company offers telehealth platform, delivering on-demand healthcare anytime, anywhere, through mobile devices, the Internet, video and phone.

## MEETING SPECIFIC INFORMATION

Ordinary resolutions are approved by simple majority of the votes cast.

<b>PROPOSALS</b>	<b>CLIENT ADVICE</b>	<b>PIRC ADVICE</b>
<b>1.1 Elect Heleen Darling</b> Independent Non-Executive Director.	<b>For</b>	<b>For</b>
<b>1.2 Elect William H. First</b> Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.	<b>Withhold</b>	<b>Withhold</b>
<b>1.3 Elect Michael Goldstein</b> Independent Non-Executive Director. He is chair of the Nomination Committee and less than 20% of the Board are women which Triodos does not support. PIRC issue: there are concerns over the director's potential aggregate time commitments.	<b>Withhold</b>	<b>Withhold</b>
<b>1.4 Elect Jason Gorevuic</b> Chief Executive.	<b>For</b>	<b>For</b>
<b>1.5 Elect Brian McAndrews</b> Independent Non-Executive Director.	<b>For</b>	<b>For</b>
<b>1.6 Elect Thomas G. McKinley</b> Non-Executive Director. Not considered independent owing to a tenure of over nine years. 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>Withhold</b>	<b>Withhold</b>
<b>1.7 Elect Arneek Multani</b> Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.	<b>For</b>	<b>For</b>
<b>1.8 Elect Kenneth H. Paulus</b> Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is sufficient independent representation on the Board; however, there are concerns over the director's potential aggregate time commitments.	<b>Withhold</b>	<b>Withhold</b>
<b>1.9 Elect David Shedlarz</b> Independent Non-Executive Director.	<b>For</b>	<b>For</b>

<b>1.10 Elect David B. Snow Jr.</b>	Independent Non-Executive Chair. However, this director serves as CEO of Cedar Gate Technologies, Inc. and as a NED on the board of Pitney Bowes, Inc. There are concerns over the director's potential aggregate time commitments and individual director's attendance is not disclosed.	<b>Withhold</b>	<b>Withhold</b>
<b>1.11 Elect Mark Douglas Smith</b>	Independent Non-Executive Director. He is newly appointed to the Board and his appointment does not improve the gender balance on the Board. Triodos does not support this resolution.	<b>Withhold</b>	<b>For</b>
<b>2 Advisory Vote on Executive Compensation</b>	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 annual incentive award made during the year under review is not considered to be overly excessive as it amounts to less than 200% of base salary. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. Retention awards make up a significant portion of the long-term incentives and therefore the scheme does not link pay to performance. The minimum performance period prior to vesting is less than three years, which is considered to be short term. Cash severance is limited to three times base salary; which is welcomed. The Company does not appear to have double-trigger provisions in place, which is a concern as single-trigger vesting allows for awards to automatically vest in the event of a change-of-control. 'Good reason' is not defined appropriately, such that the Remuneration Committee is able to apply discretion when determining the status of a departing executive. The Compensation Committee has full discretion to accelerate the vesting of awards upon a change of control, which is a concern. The claw-back policy is considered appropriate as it applies to short- and long-term incentives, and is not limited to cases of financial misstatement. The performance metrics used to award the Annual bonus have not been disclosed. The compensation rating is: CDC Triodos opposes this resolution.	<b>Oppose</b>	<b>Oppose</b>
<b>3 Appoint the Auditors</b>	EY proposed. Non-audit fees represented 18.69% of audit fees during the year under review and 10.33% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. PIRC issue: the current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.	<b>For</b>	<b>Abstain</b>
<b>4 Transact any other Business</b>	Non-Voting agenda item.	<b>Non-Voting</b>	<b>Non-Voting</b>

## SUPPORTING INFORMATION FOR RESOLUTIONS

### Proposal 2 - Advisory Vote on Executive Compensation

**Disclosure: C** The Company has failed to provide the fees it paid the Compensation Consultants. The disclosure of these fees is encouraged in the interests of greater transparency. The peer groups used for the purpose of pay comparison have been fully disclosed by the Company. The performance metrics used to award the Annual bonus have not been disclosed. The performance-based long term incentive is subject to quantified performance targets for PSUs and RSUs.

**Balance: D** The Company uses adjusted performance metrics for most elements of compensation. The use of

non-GAAP metrics prevents shareholders from being able to assess fully whether the performance targets are sufficiently challenging. The Company does not consider non-financial metrics in its assessment of performance. The annual incentive award made during the year under review is not considered to be overly excessive as it amounts to less than 200% of base salary. Awards under the annual-incentive plans are tied to multiple performance conditions, which is considered best practice. Performance metrics are replicated under different incentive plans, raising concerns that executives are being rewarded twice for the same performance. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. Retention awards make up a significant portion of the long-term incentives and therefore the scheme does not link pay to performance. The minimum performance period prior to vesting is less than three years, which is considered to be short term. Five-year vesting would be preferred. Executive compensation is aligned with peer group averages. In addition, executive compensation is aligned with companies of a similar market cap.

**Contract: C** Cash severance is limited to three times base salary; which is welcomed. The Company does not appear to have double-trigger provisions in place, which is a concern as single-trigger vesting allows for awards to automatically vest in the event of a change-of-control. 'Good reason' is not defined appropriately, such that the Remuneration Committee is able to apply discretion when determining the status of a departing executive. The Compensation Committee has full discretion to accelerate the vesting of awards upon a change of control, which is a concern. The claw-back policy is considered appropriate as it applies to short- and long-term incentives, and is not limited to cases of financial misstatement.

## CORPORATE GOVERNANCE HIGHLIGHTS

BOARD AND OTHER GOVERNANCE INFORMATION	AFTER MEETING
Size of Board	11
Average Disclosed Age of Directors	63
Average Tenure of All Directors	4.45
Average Tenure of Non-Executive Directors	4.0
Number of Independent Directors	8
Board Independence Level	72.73%
Board Female Representation Level	9.1%
Directors' Aggregated Voting Rights	1.07%
Annual Election of Directors	Yes
Independent Directors Meet in Sessions Without Management Present	Yes
Separate Chair and CEO	Yes
The Company Has a Lead Director	No
No Executive is On the Audit Committee	Yes
The Company Maintains a Corporate Jet	n/d
Number of Resolutions With a Significant Proportion of Votes Against (10%)	0
Number of Shareholder Proposals Which Received a Significant Proportion of Votes For (50%)	0
Independence Threshold Required for Director Elections	50%
There is a Controlling Shareholder	No
Ordinary Shares Have Equal Voting Rights	Yes
Voting Standard	Plurality
The Company has a Poison Pill	Yes

## BOARD AND COMMITTEE COMPOSITION (post-Meeting)

### BOARD CHANGES

Mark Douglas Smith was appointed to the Board as a Non-Executive Director in October 2018.

DIRECTOR	GENDER	INDEPENDENT BY		BOARD	AC	RC	NC	SC	TENURE
		PIRC	COMPANY						
Helen Darling	F	Yes	Yes	NED	-	-	-	-	2
William H. Frist	M	Yes	Yes	NED	-	-	M	-	4
Michael Goldstein	M	Yes	Yes	NED	M	-	C	-	4
Jason Gorevic	M	No	No	CEO	-	-	-	-	9
Brian McAndrews	M	Yes	Yes	NED	M	-	-	-	1
Thomas G. McKinley	M	No	Yes	NED	-	C	-	-	9
Arneek Multani	M	No	Yes	NED	M	M	-	-	11
Kenneth H. Paulus	M	Yes	Yes	NED	-	-	M	-	2
David Shedlarz	M	Yes	Yes	NED	C	M	-	-	2
Jr. David B. Snow	M	Yes	Yes	Ch	-	M	M	-	5
Mark Douglas Smith	M	Yes	Yes	NED	-	-	-	-	<1
Number of Meetings				8	4	7	4	n/d	
Number of NED only Meetings				n/d					

PIRC assesses a non-executive director's independence according to PIRC's shareholder guidelines. Comments represent PIRC's analysis based on information in the report and accounts. AC = Audit Committee, RC = Remuneration Committee, NC = Nomination Committee, SC = Sustainability Committee, C = Chair of Committee, M = Member of Committee.

### BOARD OF DIRECTORS (post-Meeting)

HELEN DARLING		NON-EXECUTIVE DIRECTOR			
AGE	77	TENURE	2 Years	COMMITTEES	None
OTHER POSITION	GE's healthymagination [Adv]; Medical Advisory Panel [Mem] Peterson Foundation [Adv]; National Business Group on Health [Adv, ex-Pres& CEO]; National Committee for Quality Assurance [Co-Ch]; National Quality Forum [NED, ex-Ch, Interim Pres & CEO]; Reagan-Udall Foundation [NED]; ex-Senate Finance Committee (Health Subcommittee) [Mem]; ex-Watson Wyatt [Practice Leader]; ex-William W. Mercer [Principal]; ex-Xerox Corporation [Various]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY			Y
WILLIAM H. FRIST		NON-EXECUTIVE DIRECTOR			
AGE	67	TENURE	4 Years	COMMITTEES	N
OTHER POSITION	AECOM [NED]; Accolade [NED]; Aegis [NED]; Aspire [NED]; Cognosante [NED]; Cressey & Company [Partner]; Cressey Distinguished Executive Council [Ch]; Devoted Health [NED]; Hope Through Healing Hands [Ch]; MDSave [NED]; SCORE [Ch]; Select Medical [NED]; Unitek [NED]; ex-Clinton Bush Haiti Fund [Board Member]; ex-Harvard Massachusetts General Hospital [Surgeon]; ex-Princeton University [Board Member]; ex-Smithsonian Institution [Board Member]; ex-Third National Bank [NED]; ex-U.S. Senate Majority Leader; ex-U.S. Senator for Tennessee; ex-URS Corporation [NED]; ex-Vanderbilt Multi-Organ Transplant Center [Founder]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY			Y
COMMENT	There are concerns over the director's potential aggregate time commitments.				

<b>MICHAEL GOLDSTEIN</b>		<b>NON-EXECUTIVE DIRECTOR</b>			
<b>AGE</b>	77	<b>TENURE</b>	4 Years	<b>COMMITTEES</b>	A,N*
<b>OTHER POSITION</b>	92nd Street Y [NED, ex-Ch]; Bank Leumi-USA [NED]; BioScrip, Inc [NED]; Jefferies, Inc [Adv]; Northside Center for Child Development [Ch]; RiHappy [NED]; Rosie's Theater Kids [NED]; ex-4 Kids Entertainment [NED]; ex-4 Kids Entertainment, Inc [NED]; ex-Charming Shoppes, Inc.[NED]; ex-Ernst & Young [Partner]; ex-Medco Health Solutions, Inc [NED]; ex-Pacific Sunwear of California, Inc [NED]; ex-Toys "R" Us, Inc [Ch & CEO, VCh & CFO]				
<b>INDEPENDENT BY PIRC</b>	Y	<b>INDEPENDENT BY COMPANY</b>			Y
<b>COMMENT</b>	There are concerns over the director's potential aggregate time commitments.				
<b>JASON GOREVIC</b>		<b>CHIEF EXECUTIVE</b>			
<b>AGE</b>	47	<b>TENURE</b>	9 Years	<b>COMMITTEES</b>	None
<b>OTHER POSITION</b>	ex-Gemfinity [CEO]; ex-Mail.com, Inc [GM, VP of Operations]; ex-Oxford Health Plans, Inc [Various]; ex-WellPoint, Inc [Pres, SVP, CMO]				
<b>INDEPENDENT BY PIRC</b>	N	<b>INDEPENDENT BY COMPANY</b>			N
<b>COMMENT</b>	President and CEO.				
<b>BRIAN MCANDREWS</b>		<b>NON-EXECUTIVE DIRECTOR</b>			
<b>AGE</b>	60	<b>TENURE</b>	1 Year	<b>COMMITTEES</b>	A
<b>OTHER POSITION</b>	Amplero [NED]; Frontdoor [NED]; Grubhub [Ch]; The New York Times [NED]; ex-ABC, Inc. [EVP]; ex-Clearwire [NED]; ex-Fisher Communications [NED]; ex-Pandora Media [NED]; ex-Pandora Media [Pres, CEO & Ch]; ex-The United Way of King County [NED]; ex-The Wine Group [NED]; ex-aQuantive, Inc. [Pres & CEO]				
<b>INDEPENDENT BY PIRC</b>	Y	<b>INDEPENDENT BY COMPANY</b>			Y
<b>THOMAS G. MCKINLEY</b>		<b>NON-EXECUTIVE DIRECTOR</b>			
<b>AGE</b>	67	<b>TENURE</b>	9 Years	<b>COMMITTEES</b>	R*
<b>OTHER POSITION</b>	Cardinal Analytx [Fnd, CEO]; Cardinal Partners [Partner]; Sapphire Digital [NED]; lifeIMAGE [NED]; ex-Partech International [Co-Founder, Co-Managing Partner]				
<b>INDEPENDENT BY PIRC</b>	N	<b>INDEPENDENT BY COMPANY</b>			Y
<b>COMMENT</b>	Not considered independent owing to a tenure of over nine years. There are concerns over the director's potential aggregate time commitments.				
<b>ARNEEK MULTANI</b>		<b>NON-EXECUTIVE DIRECTOR</b>			
<b>AGE</b>	45	<b>TENURE</b>	11 Years	<b>COMMITTEES</b>	A,R
<b>OTHER POSITION</b>	Arrohealth [NED]; HealthMEDX [NED]; Trident Capital [MD];Imagine Health [NED]; ex-Acclaris [NED]; ex-Arrohealth [NED]; ex-HealthMEDX [NED]; ex-McCown De Leeuw [Associate]; ex-Morgan Stanley & Co [Analyst]; ex-Onica [NED]; ex-Profex [NED]; ex-ProgenyHealth [NED]; ex-Resolution Health [NED]; ex-Sunstone Partners [Co-Fnd, MD]; ex-TC Growth [Co-Founder, MD]				
<b>INDEPENDENT BY PIRC</b>	N	<b>INDEPENDENT BY COMPANY</b>			Y
<b>COMMENT</b>	Not considered independent owing to a tenure of over nine years.				
<b>KENNETH H. PAULUS</b>		<b>NON-EXECUTIVE DIRECTOR</b>			
<b>AGE</b>	59	<b>TENURE</b>	2 Years	<b>COMMITTEES</b>	N
<b>OTHER POSITION</b>	Ally Align Health [NED]; Breg [NED]; Healthgrades [NED]; Prime Therapeutics LLC [CEO]; ex-Allina Health [Pres & CEO, COO]; ex-Atrius Health System [Pres & CEO]; ex-Cogentix [NED]; ex-Partners Community Health Care [COO]; ex-Team Health [NED]; ex-Water Street Healthcare Partners, [Adv]				
<b>INDEPENDENT BY PIRC</b>	Y	<b>INDEPENDENT BY COMPANY</b>			Y
<b>COMMENT</b>	There are concerns over the director's potential aggregate time commitments.				

<b>DAVID SHEDLARZ</b>		<b>NON-EXECUTIVE DIRECTOR</b>			
<b>AGE</b>	70	<b>TENURE</b>	2 Years	<b>COMMITTEES</b>	A*,R
<b>OTHER POSITION</b>	Pitney Bowes Inc [NED]; Teacher Insurance and Annuity Association [NED]; The Hershey Company [NED]; ex-Pfizer, Inc. [VCh, EVP, CFO]				
<b>INDEPENDENT BY PIRC</b>	Y	<b>INDEPENDENT BY COMPANY</b>		Y	

<b>JR. DAVID B. SNOW</b>		<b>CHAIR (NON EXECUTIVE)</b>			
<b>AGE</b>	64	<b>TENURE</b>	5 Years	<b>COMMITTEES</b>	R,N
<b>OTHER POSITION</b>	Cedar Gate Technologies, Inc.[Ch, CEO]; Pitney Bowes, Inc [NED]; ex-CareCentrix [NED]; ex-Medco Health Solutions, Inc [Ch, CEO]; ex-Oxford Health Plans [Various]; ex-WellChoice (Empire Blue Cross Blue Shield) [Various]				
<b>INDEPENDENT BY PIRC</b>	Y	<b>INDEPENDENT BY COMPANY</b>		Y	
<b>COMMENT</b>	There are concerns over the director's potential aggregate time commitments.				

<b>MARK DOUGLAS SMITH</b>		<b>NON-EXECUTIVE DIRECTOR</b>			
<b>AGE</b>	67	<b>TENURE</b>	<1 Years	<b>COMMITTEES</b>	None
<b>OTHER POSITION</b>	Health Care Payment Learning and Action Network [Co-Ch]; University of California [Prof]; ex-California Health Care Foundation [CEO]				
<b>INDEPENDENT BY PIRC</b>	Y	<b>INDEPENDENT BY COMPANY</b>		Y	

## BOARD COMPOSITION

### BOARD COMPOSITION FOLLOWING THE AGM

	Number	% of Board
Executive Director	1	9.09
Independent NEDs	8	72.73
Connected NEDs	2	18.18
Other	0	0.0

### BOARD COMMITTEES FOLLOWING THE AGM

	Number of Members	% Women	% Independent by PIRC	% Independent by Company
Whole Board	11	9.09	72.73	90.91
Audit	4	0.0	75.0	100.0
Remuneration	4	0.0	50.0	100.0
Nomination	4	0.0	100.0	100.0

## AUDIT

<b>Audit Firm</b>	EY		
<b>Date Appointed</b>	2014-05-01		
<b>Tenure</b>	5 Years		
<hr/>			
<b>AUDITOR REMUNERATION - USDm</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	EY	EY	EY
<hr/>			
Statutory audit fee	2.14	1.55	0.7
<hr/>			
<b>Acceptable non-audit work undertaken by the auditors</b>			
<hr/>			
Audit-related, mandatory regulatory	0.08	0.44	0.3
Tax compliance	0.0	0.0	0.0
Subtotal Authorised	0.08	0.44	0.3
<hr/>			
<b>Unacceptable non-audit work undertaken by the auditors</b>			
<hr/>			
Other tax services	0.4	0.05	0.0
Acquisition-related	0.0	0.0	0.0
Other services	0.0	0.0	0.0
Total non-audit fees	0.4	0.05	0.0
<hr/>			
<b>Company percentage of non-audit fees versus audit fees</b>	<b>18.69</b>	<b>3.29</b>	<b>0.29</b>
<b>Total Company three year percentage of unacceptable non-audit fees versus audit fees</b>	<b>10.0</b>		

## SHARE CAPITAL AND SHAREHOLDER RELATIONS

### DISCLOSED ORDINARY VOTING RIGHTS

	PERCENTAGE
BlackRock, Inc.	9.51
The Vanguard Group	8.49
Fidelity Management & Research Company	7.52
JPMorgan Chase & Co.	6.92
Wellington Management Group LLP	5.72

## BEST PRACTICE PRINCIPLES

BEST PRACTICE PRINCIPLE AND CRITERIA	ANALYSIS
<b>A. Division of responsibilities at the head of the company</b>	
1. There is a separate chairman and chief executive	Yes
2. A Senior Independent Director has been appointed	No
3. The Company reports on and discusses gender diversity on the Board	No
4. If applicable, the Company is in line with local legal requirements on gender diversity on the Board, or has set targets for compliance	n/a
<b>B. Independence on the board and election of directors</b>	
5. Sufficient biographical information on all directors is disclosed	Yes
6. At least half of the board comprises non-executive directors	Yes
7. At least half of the board is independent by PIRC guidelines	Yes
8. Individual director's attendance at board and committee meetings is disclosed	No
9. The Board comprises nomination, audit and remuneration committees	Yes
10. Nomination committee is composed fully of independent directors, excluding employee representatives	Yes
11. Remuneration committee is composed fully of independent directors, excluding employee representatives	No
12. No alternate director has been appointed	Yes
13. All directors face election every year, excluding employee representatives	Yes
14. No members from any of the committees are considered to be connected with significant shareholders	Yes
<b>C. Independent and transparent appointments and review process</b>	
15. Recruitment practices for new directors are transparent	No
16. There is evidence that a process for succession planning exists and is regularly reviewed	Yes
17. No directors on the board hold family ties	Yes
18. There is evidence that training needs for the board are regularly reviewed and acted upon	No
<b>D. Auditors' independence</b>	
19. Audit committee is composed fully of independent directors	No
20. Shareholders annually approve the appointment of the auditor	Yes
21. No director has had a significant connection with the auditors	Yes
22. Level of non-audit fees does not raise independence concerns	Yes
23. Auditor's date of appointment has been disclosed by the Company	Yes
24. Audit firm is subject to rotation at least every five years	No
<b>E. Disclosure of the auditors' remuneration</b>	
25. An adequate break-down between non-audit fees and audit fees has been provided	Yes
26. An adequate break-down of the nature of non-audit fees is provided	Yes
<b>F. Audit committee's accountability</b>	
27. Audit committee's policy on awarding non-audit work is described	No
28. The audit committee reviews "whistleblowing" arrangements	No
<b>G. Other Best Practice Criteria</b>	
29. An internal audit function exists or an explanation for its absence is provided	Yes
30. The Company has a Data Protection Officer or an equivalent position	No
31. Company has disclosed a cybersecurity policy or a compliance management system	Yes
32. Declared dividend or policy is put to the vote	No
33. Each ordinary share has equal voting rights	Yes
34. There is no controlling shareholder	Yes
35. No representatives of the controlling shareholder sit on the board	Yes
36. No persons have the right to designate directors to the board	Yes
37. The threshold of controlling shareholding is not achieved due to multiple voting rights	Yes
38. Shareholders have the right to approve all designated directors	Yes
39. The Company has disclosed a policy regarding political donations	No
40. There is disclosure on political donations made during the year under review	No
41. No political donations were made by the company during the year under review	n/d
42. Does the Company maintain one or more corporate aircraft?	n/d



## COMPENSATION

### Highest Paid Director (HPD) Summary Compensation

		2018	% CHANGE	2017	% CHANGE	2016
<b>HPD</b>	Mr. Jason Gorevic			Mr. Jason Gorevic		Mr. Jason Gorevic
Salary		511,250	2.25	500,000	0.0	500,000
Bonus		643,750	-14.17	750,000	87.5	400,000
Awarded Stock		6,152,681	5.75	5,818,406	118.03	2,668,669
Paid Stock		7,983,296	184.55	2,805,559	-	0
All Other Compensation		21,641	-39.95	36,036	-4.92	37,902
Total	Awarded	7,329,322	3.17	7,104,442	96.99	3,606,571
Compensation						
Total Paid Compensation		9,159,937	123.87	4,091,595	336.25	937,902

## CONTRACTS

Cash severance is limited to three times base salary; which is welcomed. The Company does not appear to have double-trigger provisions in place, which is a concern as single-trigger vesting allows for awards to automatically vest in the event of a change-of-control. 'Good reason' is not defined appropriately, such that the Remuneration Committee is able to apply discretion when determining the status of a departing executive. The Compensation Committee has full discretion to accelerate the vesting of awards upon a change of control, which is a concern. The claw-back policy is considered appropriate as it applies to short- and long-term incentives, and is not limited to cases of financial misstatement.

## BEST PRACTICE PRINCIPLES: COMPENSATION

US BEST PRACTICE PRINCIPLE AND CRITERIA	ANALYSIS
<b>A. Executive remuneration should be determined by a formal and independent procedure</b>	
1. Executive compensation should be determined by a formal and independent procedure	<b>No</b>
2. A comprehensive statement about the compensation consultants fees and work is provided	<b>No</b>
<b>B. There should be full and transparent disclosure of compensation policies</b>	
3. Peer groups used for the purpose of pay comparison are fully disclosed	Yes
4. Specific performance targets that determine the award of annual bonuses are disclosed	<b>No</b>
5. Specific performance targets are disclosed for all long-term awards	Yes
6. Variations in the compensation programme or the lack thereof has been justified	n/a
7. Overall disclosure concerning the annual bonus is considered transparent	<b>No</b>
8. Overall disclosure concerning the long-term award is considered transparent	Yes
<b>C. The Committee should establish compensation policies in accordance with best practice</b>	
9. Pay is determined making reference to the Company's comparative performance	Yes
10. Pay elsewhere in the Company is considered in determining executive pay	<b>No</b>
11. The Company uses more than one performance measure to determine the payout of awards	Yes
12. The Company uses a set of distinctive performance measures for each award	<b>No</b>
13. The Company does not use adjusted performance metrics	<b>No</b>
<b>D. There should be an objective balance between pay and performance</b>	
14. Payments made under the annual bonus plan are considered acceptable by guidelines	Yes
15. There were no discretionary payments during the year under review	<b>No</b>
16. Non-financial performance measures influence the award of annual bonuses	<b>No</b>
17. Maximum long-term award opportunities are limited to 200% of base salary	<b>No</b>
18. The holding period for retention awards is considered sufficiently long-term	<b>No</b>
19. Retention awards do not make up a significant portion of the annual long-term incentive grant	<b>No</b>
20. The vesting period of performance awards is considered sufficiently long-term	<b>No</b>
21. Executive compensation is in-line with peer group averages	Yes
22. Executive compensation is aligned with companies of a similar market capitalisation	Yes
23. CEO Pay ratio is in line with companies of a similar market capitalisation	n/a
24. CEO Pay ratio is in line with peer group average	n/a
<b>E. Contracts policy should balance potential costs to the Company with executive interests</b>	
25. Executives do not receive special pension entitlements	Yes
26. Severance and change-in-control agreements are provided for each NEO	Yes
27. Cash severance is limited to three times base salary	Yes
28. Change-in-control payments are subject to double-trigger provisions	<b>No</b>
29. Equity is subject to pro-rata vesting upon termination	<b>No</b>
30. Contracts define 'good reason' and 'cause' in an appropriate manner	<b>No</b>
31. The Company has a compensation recoupment 'claw-back' policy' in place	Yes

COMPENSATION RATING: EEE

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