Triodos Investment Management

THE HAIN CELESTIAL GROUP

MEETING DATE	Tue, 19 Nov 2019 9:00 am	TYPE	AGM	ISSUE DATE	Fri, 08 Nov 2019
MEETING LOCATION	1111 Marcus Avenue, Lake Success, New York 11042				
CURRENT INDICES	PIRC Global				
SECTOR	Food preparations, not elsewhere classified				

	PROPOSALS	ADVICE
1a	**Elect Richard A. Beck** Independent Non-Executive Director.	**For**
1b	**Elect Celeste A. Clark** Independent Non-Executive Director.	**For**
1c	**Elect R. Dean Hollis** Independent Non-Executive Chair.	**For**
1d	**Elect Shervin J. Korangy** Independent Non-Executive Director.	**For**
1e	**Elect Roger Meltzer** Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.	**For**
1f	**Elect Mark Schiller** President and Chief Executive Officer.	**For**
1g	**Elect Michael B. Sims** Independent Non-Executive Director.	**For**
1h	**Elect Glenn W. Welling** Non-Executive Director. Not considered independent as he is the founder of Engaged Capital, which is a significant shareholder of the Company. He is chair of the Remuneration committee which is not fully independent which Triodos does not support.	**Oppose**
1i	**Elect Dawn M. Zier** Independent Non-Executive Director.	**For**
2	**Advisory Vote on Executive Compensation** 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 Company has failed to provide the fees it paid the Compensation Consultants. The Company uses adjusted performance metrics for most elements of compensation. The Company does not consider non-financial metrics in its assessment of 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. Potential severance entitlements in a change of control scenario are considered excessive as they exceed three times the base salary. The Compensation Committee has full discretion to accelerate the vesting of awards upon a change of control, which is a concern. The compensation rating is: ADC. Triodos opposes this resolution.	**Oppose**

3 Appoint the Auditors **Oppose**

EY proposed. Non-audit fees represented 18.25% of audit fees during the year under review and 8.06% 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 ten years and there are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory Vote on Executive Compensation

Disclosure: A - 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 grant of performance awards was based on the achievement of set levels of specific performance targets. The performance-based long term incentive is subject to quantified performance targets.

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 to be 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 made up less than one-third of the awards granted to executives, which is considered to be best practice. Performance shares have a three-year performance period, which is a market standard. However, a five-year performance period is considered to be best practice. Executive compensation is aligned with peer group averages.

Contract: C - Potential severance entitlements in a change of control scenario are considered excessive as they exceed three times the base salary. Change-in-control payments are subject to double-trigger provisions. Good reason has been appropriately defined. 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.

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