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| MEETING DATE | Wed, 25 Sep 2019 15:00 | TYPE | AGM | ISSUE DATE | Fri, 13 Sep 2019 |
| MEETING LOCATION | The Pentagon, Abingdon Science Park, Abingdon | | | |  |
| CURRENT INDICES | FTSE MidCap | | | | |
| SECTOR | Software | | | | |

| PROPOSALS | | ADVICE |
|-----------|---|---------------|
| 1 | <p>Approve Financial Statements</p> <p>Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. The Company's Sustainability programme is considered to be adequate in order to minimize the impact from material non-financial risks and aiming at better performance.</p> <p>Triodos supports this resolution.</p> | For |
| 2 | <p>Approve Remuneration Policy</p> <p>It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.</p> <p>Rating: AEC.</p> <p>Triodos opposes this resolution.</p> | Oppose |
| 3 | <p>Approve the Remuneration Report</p> <p>Disclosure: Performance conditions and past targets for the annual bonus are adequately disclosed. Performance conditions and targets for long term incentives are adequately disclosed. All share incentive awards are fully disclosed with award dates and prices.</p> <p>Balance: The change in the CEO's salary is in line with the rest of the Company, as the CEO's salary did not increase in the year under review.</p> <p>The CEO's salary is in the upper quartile of the Company's comparator group.</p> <p>At last year's AGM the Company's remuneration report received significant opposition from shareholders (32.28%). The Company states that the high level of opposition may be due to remuneration arrangements which are untypical of UK listed companies. The Company states that it has engaged with shareholders and consider has proposed a number of changes for the remuneration policy vote this upcoming meeting. The ratio of the CEO's pay compared to average employee pay is acceptable at less than 20:1. Awards granted during the year under review are excessive, amounting in total to 535% of salary for the CEO - 126% of salary in the form of restricted stock units (RSU); and 408% of salary as performance share units (PSU). Given that the recommended limit for total variable pay is 200% of salary, such a payout is considered gratuitously excessive and inappropriate. The majority of the CEO's variable pay comes from one of the Company's two LTIP plans, the PSU and RSU. LTIPs are not considered to be appropriate mechanisms for rewarding executives, given that they do not provide a reliable link between pay and performance. The fact that the Company operates two LTIPs raises significant concerns, which shareholders have expressed in the past, although with no adequate response from the Company. No loss of office payments or recruitment awards were made during the year under review.</p> <p>Rating: AE</p> <p>Triodos opposes this resolution.</p> | Oppose |
| 4 | <p>Approve the Dividend</p> <p>A final dividend of USD 3.7 cents per share is proposed, which brings the total dividend for the year under review to USD 5.2 cents per share. This payment is covered by earnings.</p> | For |

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| 5 | Re-elect Sandra Bergeron as Director Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. | Oppose |
| 6 | Re-elect Nick Bray as Director Executive Director. Support recommended. | For |
| 7 | Re-elect Peter Gyenes as Director Non-Executive Chair. Independent upon appointment. Not considered independent owing to a tenure of over nine years. | Oppose |
| 8 | Re-elect Kris Hagerman as Director Chief Executive. | For |
| 9 | Re-elect Roy Mackenzie as Director Non-Executive Director. Not considered independent as he serves as a partner at by Apax Partners, LP, the largest shareholder of the group, which also appointed him to the Board. There is insufficient independent representation on the Board. | Oppose |
| 10 | Re-elect Rick Medlock as Director Independent Non-Executive Director. He is Chair of the Audit Committee which is not fully independent which Triodos does not support. | Oppose |
| 11 | Re-elect Vin Murria as Director Independent Non-Executive Director. | For |
| 12 | Re-elect Paul Walker as Director Independent Non-Executive Director. He is Chair of the Remuneration Committee which is not fully independent which Triodos does not support. | Oppose |
| 13 | Appoint the Auditors KPMG proposed. Non-audit fees represented 16.67% of audit fees during the year under review and 5.00% 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. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Triodos opposes this resolution. | Oppose |
| 14 | Authorise the Audit and Risk Committee to Fix Remuneration of Auditors Standard proposal. | For |
| 15 | Approve Political Donations The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 100,000. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. Triodos considers political donations as an inappropriate use of shareholder funds. | Oppose |
| 16 | Issue Shares with Pre-emption Rights The authority is limited to 33% of the Company's issued share capital and expires at the next AGM. Within acceptable limits. | For |
| 17 | Issue Shares for Cash Authority is limited to 5% of the Company's issued share capital and will expire at the next AGM. Within acceptable limits. | For |
| 18 | Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment 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 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 transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended. | Oppose |
| 19 | Authorise Share Repurchase It is proposed to authorise the Board to purchase Company's shares until 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, an oppose vote is recommended. | Oppose |

20 Authorise the Company to Call General Meeting with Two Weeks' Notice

Oppose

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.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 18 - 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 20 - Authorise the Company to Call General Meeting with Two Weeks' Notice

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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