Triodos Investment Management

RELX PLC

MEETING DATE	Thu, 23 Apr 2020 10:00 am	TYPE	AGM	ISSUE DATE	Thu, 16 Apr 2020
MEETING LOCATION	Ballroom at the Amba Hotel, Strand, London WC2N 5HX				
CURRENT INDICES	FTSE 100, FTSE EuroFirst				
SECTOR	Publishing				

	PROPOSALS	ADVICE

1 **Receive the Annual Report** — **For**

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified.
PIRC Issue: there are serious concerns over the Company's sustainability policies and practice.
PIRC Issue:there are serious concerns over the lack of board level accountability for sustainability issues.

2 **Approve Remuneration Policy** — **Oppose**

The maximum overall opportunity for variable remuneration is 650% of base salary for the CEO which is considered excessive. The deferral period on the annual bonus of 50% over three years is considered acceptable. Although it would be preferred that the performance period on the LTIP to be five years rather than three, it is welcomed that there is a two-year holding period post vesting. It is welcomed that non-financial KPI's operate on the AIP but it is recommended that they operate on both the annual bonus and LTIP. The LTIP is using purely financial KPI's which is against best practice. It is noted dividend equivalents will be paid in respect of deferred shares on vesting. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. The committee has discretion to dis-apply pro-rating of awards upon termination and on takeovers which is considered to be contrary to best practice. Overall, opposition is recommended.
Policy Rating: BDE
Triodos opposes this resolution.

3 **Approve the Remuneration Report** — **Oppose**

Disclosure is considered adequate. The measures for the annual bonus have not been disclosed which makes it difficult to assess how sufficiently challenging the targets are, and overpayment for subpar performance may occur. Otherwise, good disclosure.
Balance: The CEO's salary increase is in line with the rest of the company. The CEO's total reward is on average, in line with the change in TSR which is good. However, total variable remuneration for the CEO, exceeds the maximum of 200% in line with best practice guidelines at approximately 545% of base salary. The ratio of CEO to average employee pay stands at 51.1 which is considered unacceptable. Dividend accrual not separately categorised which is not acceptable.
Rating: BD
Triodos opposes this resolution.

4 **Approve the Dividend** — **For**

A final dividend of GBP 32.1 pence per share is proposed, which brings the total dividend for the year under review to GBP 45.7 pence per share. This payment is covered by earnings.

5 **Reappoint Ernst & Young LLP as Auditors** — **For**

EY proposed. Non-audit fees represented 1.22% of audit fees during the year under review and 14.42% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

6 **Allow the Board to Determine the Auditor's Remuneration** — **For**

Standard proposal.

7 **Elect Charlotte Hogg as Director** — **For**

Newly-appointed Independent Non-executive Director.

8	**Re-elect Erik Engstrom as Director** Chief Executive. Acceptable service contract provisions.	**For**
9	**Re-elect Sir Anthony Habgood as Director** Non-Executive Chair. Independent on appointment. Not considered independent owing to a tenure of over nine years. He is a non-independent member of the Remuneration Committee. PIRC Issue: there are serious concerns over the lack of board level accountability for sustainability issues. PIRC Issue: there is sufficient independent representation on the board. It is also noted that the director is planning to retire from the board as soon as a successor is found.	**Oppose**
10	**Re-elect Wolfhart Hauser as Director** Senior Independent Director. Considered independent. He is chair of the Remuneration committee and the Remuneration policy is considered excessive.	**Oppose**
11	**Re-elect Marike van Lier Lels as Director** Workforce Engagement Director. There are concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year.	**For**
12	**Re-elect Nick Luff as Director** Executive Director. Support recommended.	**For**
13	**Re-elect Robert MacLeod as Director** Independent Non-Executive Director. There are concerns over a potential conflict of interest between his role as an Executive in a listed company (CEO of Johnson Matthey plc) and membership of the Remuneration Committee.	**For**
14	**Re-elect Linda Sanford as Director** Independent Non-Executive Director.	**For**
15	**Re-elect Andrew Sukawaty as Director** Independent Non-Executive Director.	**For**
16	**Re-elect Suzanne Wood as Director** Independent Non-Executive Director.	**For**
17	**Issue Shares with Pre-emption Rights** The authority is limited to one third of the Company's issued share capital. This cap can increase to two-thirds 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. Support is recommended.	**For**
18	**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**
19	**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**
20	**Authorise Share Repurchase** The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM.	**For**
21	**Meeting Notification-related Proposal** 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. 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.	**Oppose**

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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