



North East Scotland Pension Fund

PROXY VOTING REVIEW

PERIOD 1st January 2015 TO 31st March 2015

Contents

1 Resolution Analysis	3
1.1 Number of meetings voted by geographical location	3
1.2 Number of Resolutions by Vote Categories	3
1.3 List of meetings not voted and reasons why	4
1.4 Number of Votes by Region	5
1.5 Votes Made in the UK Per Resolution Category	6
1.6 Votes Made in the US Per Resolution Category	7
1.7 Votes Made in the EU Per Resolution Category	8
1.8 List of all meetings voted	10
2 Notable Oppose Vote Results With Analysis	11
3 Oppose/Abstain Votes With Analysis	12
4 Appendix	33

1 Resolution Analysis

- Number of resolutions voted: 359 (note that it MAY include non-voting items).
- Number of resolutions opposed by client: 80

1.1 Number of meetings voted by geographical location

Location	Number of Meetings Voted
UK & BRITISH OVERSEAS	6
EUROPE & GLOBAL EU	9
USA & CANADA	1
ASIA	1
JAPAN	2
SOUTH AMERICA	2
TOTAL	21

1.2 Number of Resolutions by Vote Categories

Vote Categories	Number of Resolutions
For	212
Abstain	25
Oppose	71
Non-Voting	17
Not Supported	0
Withhold	0
US Frequency Vote on Pay	0
Withdrawn	1
TOTAL	326

1.3 List of meetings not voted and reasons why

Company	Meeting Date	Type	Comment
BRADESCO BANCO	10-03-2015	AGM	Non-voting shares

1.4 Number of Votes by Region

	For	Abstain	Oppose	Non-Voting	Not Supported	Withhold	Withdrawn	US Frequency Vote on Pay	Total
UK & BRITISH OVERSEAS	37	2	4	0	0	0	1	0	44
EUROPE & GLOBAL EU	137	21	56	15	0	0	0	0	229
USA & CANADA	4	0	0	0	0	0	0	0	4
ASIA	6	0	0	0	0	0	0	0	6
JAPAN	26	0	4	0	0	0	0	0	30
SOUTH AMERICA	2	2	7	2	0	0	0	0	13
TOTAL	212	25	71	17	0	0	1	0	326

1.5 Votes Made in the UK Per Resolution Category

	UK						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	2	1	2	0	0	0	0
Articles of Association	1	0	0	0	0	0	0
Auditors	3	0	1	0	0	0	0
Corporate Actions	1	0	0	0	0	0	1
Corporate Donations	1	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	14	1	0	0	0	0	0
Dividend	1	0	0	0	0	0	0
Executive Pay Schemes	0	0	1	0	0	0	0
Miscellaneous	2	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	0	0	0	0
Say on Pay	0	0	0	0	0	0	0
Share Capital Restructuring	1	0	0	0	0	0	0
Share Issue/Re-purchase	11	0	0	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0

1.6 Votes Made in the US Per Resolution Category

US/Global US & Canada

	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	0	0	0	0	0	0	0
Articles of Association	0	0	0	0	0	0	0
Auditors	0	0	0	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	0	0	0	0	0	0	0
Dividend	0	0	0	0	0	0	0
Executive Pay Schemes	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	0	0	0	0
Say on Pay	0	0	0	0	0	0	0
Share Capital Restructuring	1	0	0	0	0	0	0
Share Issue/Re-purchase	3	0	0	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0

1.7 Votes Made in the EU Per Resolution Category

	EU & Global EU						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	8	2	13	0	0	0	0
Articles of Association	30	0	0	0	0	0	0
Auditors	6	1	4	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	1	0	0	0	0	0	0
Directors	34	9	27	0	0	0	0
Dividend	12	0	0	0	0	0	0
Executive Pay Schemes	0	0	1	0	0	0	0
Miscellaneous	10	0	2	0	0	0	0
NED Fees	6	0	1	0	0	0	0
Non-Voting	32	4	14	15	0	0	0
Say on Pay	0	0	0	0	0	0	0
Share Capital Restructuring	5	0	0	0	0	0	0
Share Issue/Re-purchase	6	0	1	0	0	0	0
Shareholder Resolution	3	7	0	0	0	0	0

SZ				
Meetings	All For		AGM	EGM
0	0		0	0
AS				
Meetings	All For		AGM	EGM
1	1		1	0
UK				
Meetings	All For		AGM	EGM
6	4		0	4
EU				
Meetings	All For		AGM	EGM
9	0		0	0
SA				
Meetings	All For		AGM	EGM
2	0		0	0
GL				
Meetings	All For		AGM	EGM
0	0		0	0
JP				
Meetings	All For		AGM	EGM
2	0		0	0
US				
Meetings	All For		AGM	EGM
1	1		0	1

1.8 List of all meetings voted

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
NOVARTIS AG	27-02-2015	AGM	26	20	2	4
DUNELM GROUP PLC	02-03-2015	EGM	1	1	0	0
ROCHE HOLDING AG	03-03-2015	AGM	50	32	4	14
SSP GROUP PLC	03-03-2015	AGM	19	14	1	3
THE SAGE GROUP PLC	03-03-2015	AGM	18	16	1	1
BRADESCO BANCO	10-03-2015	AGM	5	0	0	3
BANCO BILBAO VIZCAYA ARGENTARIA SA (BBVA)	12-03-2015	AGM	22	16	0	6
MAPFRE	13-03-2015	AGM	40	35	0	5
SAMSUNG ELECTRONICS CO LTD	13-03-2015	AGM	6	6	0	0
NOVO NORDISK A/S	19-03-2015	AGM	18	11	4	2
PERSIMMON PLC	19-03-2015	EGM	1	1	0	0
FOMENTO ECONOMICO MEXICANO	19-03-2015	AGM	8	2	2	4
GIVAUDAN SA	19-03-2015	AGM	24	7	2	15
NORDEA BANK AB	19-03-2015	AGM	25	10	3	6
SCHINDLER HOLDING AG	20-03-2015	AGM	23	13	2	8
JAPAN TOBACCO INC	20-03-2015	AGM	16	12	0	4
SVENSKA HANDELSBANKEN	25-03-2015	AGM	26	9	6	3
HISCOX LTD	25-03-2015	EGM	4	4	0	0
IP GROUP PLC	26-03-2015	EGM	3	3	0	0
AVIVA PLC	26-03-2015	EGM	2	2	0	0
CANON INC	27-03-2015	AGM	22	20	0	2

2 Notable Oppose Vote Results With Analysis

Note: Here a notable vote is one where the Oppose result is at least 10%.

BANCO BILBAO VIZCAYA ARGENTARIA SA (BBVA) AGM - 12-03-2015

5.1. Amend Articles: Article 20, 24, 29 and 30

The Board seeks approval to amend Articles 20, 24, 29 and 30 of the Company Bylaws pursuant compliance with Law 31/2014 of 3 December 2014. The amended articles regulate the function of the the announcement, the representation to the meeting, shareholders rights to information and the definition of powers of the General Meeting. It is regrettable the the Company bundled these Bylaws amendments. However, they are pursuing compliance with applicable law, which introduces positive changes into corporate governance in Spain. On this basis, support is recommended.

Vote Recommendation: *For*

Results: For: 83.2, Abstain: 0.2, Oppose/Withhold: 16.6,

6. Amend Articles: Article 3, 4, 6 and 9

It is proposed to amend articles 3, 4, 6 and 9 of the Bylaws pursuant compliance with Law 31/2014 of 3 December 2014. The amended articles regulate the powers of the General Meeting, the regulation of the Notice of the Meeting, the regulation of the publication of the Notice of the Meeting, the supplement of the Notice of the Meeting and new resolution proposals and the regulation regarding shareholders rights to information prior to the General Meeting. It is regrettable the the Company bundled these Bylaws amendments. However, they are pursuing compliance with applicable law, which introduces positive changes into corporate governance in Spain. On this basis, support is recommended.

Vote Recommendation: *For*

Results: For: 83.2, Abstain: 0.2, Oppose/Withhold: 16.6,

MAPFRE AGM - 13-03-2015

36. Approve the Remuneration Report

It is proposed to approve the remuneration report with an advisory vote.

There is lack of disclosure with respect of targets and measurable criteria for variable remuneration, which prevents shareholders from making an informed assessment. Only the CEO's annual variable remuneration during the year under review is disclosed which corresponded to approximately 100% of his fixed salary and it may be overpaying for underperformance, in absence of quantified targets. The Company has in place a 10-year share plan which will start vesting in 2016. Severance payments are capped at 24 months of salary. There are no claw back clauses in place which is against best practice.

Based on the lack of disclosure and the excessive severance payments opposition is advised.

Vote Recommendation: *Oppose*

Results: For: 89.0, Abstain: 0.4, Oppose/Withhold: 10.6,

3 Oppose/Abstain Votes With Analysis

NOVARTIS AG AGM - 27-02-2015

6.2. *Approve total compensation for members of the Executive Committee*

The Company has proposed a prospective remuneration proposal, which means that the proposed amount will not be the actual amount to be paid, but only the total remuneration cap. The voting outcome of this resolution will be binding for the Company.

It is proposed to fix the remuneration of members of the Executive Committee until next AGM at CHF 84 million (CHF 69 million were paid for the year under review). This proposal includes fixed and variable remuneration components.

There are concerns that the variable remuneration component may produce excessive payout, up to 450% of the fixed salary at target, in lack of quantifiable targets. On this basis, opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 93.7, Abstain: 0.3, Oppose/Withhold: 6.0,

6.3. *Approve the 2014 compensation report*

It is proposed to approve the remuneration report of the Company for 2014 with an advisory vote. Submitting a separate advisory resolution on the Company's remuneration structure is not provided for by the Ordinance Against Excessive Payments but it is recommended by the local Corporate Governance Code.

The Company does not disclose quantified targets for either component of the variable remuneration, which prevents shareholders from making an informed assessment of variable remuneration. The CEO's total variable remuneration during the year under review exceeded four times his fixed salary, which is deemed excessive. It is noted that the remuneration structure at the Company provides for the variable remuneration component to correspond to 450% of the fixed salary at target, which is deemed excessive. Severance payments are capped at 12 months of salary. The board cannot award discretionary payments to executives, which is welcomed. There are claw back clauses in place which is welcomed.

Despite some positive features of the compensation structure (such as malus and claw back applicable on any incentive compensation paid to members of the Executive Committee), there are concerns that the variable remuneration component is excessive. In addition, the Company does not disclose quantified performance criteria, which is against best practice. On this ground, opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 90.9, Abstain: 0.9, Oppose/Withhold: 8.1,

7.1. *Re-elect Joerg Reinhardt*

Non-Executive Chairman. Not considered to be independent as he has been Chief Operating Officer of the company previously before moving with Bayer HealthCare AG. There is sufficient independent representation on the Board. However, due to his previous executive responsibilities, abstention is recommended.

Vote Recommendation: *Abstain*

Results: For: 99.3, Abstain: 0.3, Oppose/Withhold: 0.4,

7.6. *Re-elect Pierre Landolt*

Non-Executive Director. Not considered to be independent as Mr. Landolt is Chairman of Emasan AG, a shareholder of the Company with 3.3% of the total share capital. In addition he served on the Board for more than nine years and there are concerns over his potential aggregate time commitments. There is sufficient independent representation on the Board. However, given the concerns over potential time commitments, abstention is recommended.

Vote Recommendation: *Abstain*

Results: For: 97.7, Abstain: 0.3, Oppose/Withhold: 2.0,

8.1. *Re-elect Srikant Datar to be a member of the Compensation Committee*

In terms of good corporate governance, it is considered to be best practice that the compensation committee consists exclusively of independent members. Support is granted to independent directors, while opposition will be recommended for non-independent directors.

This director is not considered to be independent. Opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 97.7, Abstain: 0.3, Oppose/Withhold: 2.0,

B. *Transact any other business*

Shareholders should receive sufficient notice of proposals brought forward by either management or other shareholders. As such, any other proposition brought forward in the meeting would provide insufficient time for an informed assessment. Opposition is recommended.

Vote Recommendation: *Oppose*

ROCHE HOLDING AG AGM - 03-03-2015

2.1. *Approve bonus for Corporate Executive Committee members*

It is proposed to approve, with a binding vote, the total amount of the bonus for members of the Executive Committee. The bonus is proposed to be CHF 10.4 million (for the CEO it will consist of shares blocked for 10 years). The Company has not submitted the compensation structure to advisory vote. However, analysis of this resolution will take into account also the general remuneration structure at the Company. There are concerns with this respect: excessiveness and risk of discretionary payments, given the presence of the Chairman (who receives variable remuneration) on the Remuneration Committee. In addition, the Company has not disclosed the achievement of the targets on which the bonuses were based. On this basis, opposition would be recommended.

Vote Recommendation: *Oppose*

Results: For: 99.1, Abstain: 0.6, Oppose/Withhold: 0.2,

2.2. *Approve bonus to Chairman of the Board of Directors*

The Chairman of the Board of Directors is non-executive, yet it is proposed to award him a bonus to be paid in shares. Awarding variable short-term remuneration to non-executive directors is against best practice. The bonus corresponds to shares blocked for 10 years and amounts to CHF 558,000 for the incoming Chairman (Mr. Franz), approximately 17% of his total remuneration. The former Chairman Mr. Huber receive approximately EUR 3 million in bonuses. Besides and beyond excessiveness concerns, variable bonuses per se are not considered to be an appropriate way of compensating non-executive directors.

Vote Recommendation: *Oppose*

Results: For: 99.6, Abstain: 0.1, Oppose/Withhold: 0.3,

3. *Discharge the Board*

Standard proposal. The membership of board committees raises concerns, regarding the excessive alignment with the interest of the shareholder agreement which controls the share capital. Members of the shareholder agreement sit on the remuneration and nomination committee. This may lead to a decision-making process that takes overly into account the interests of the controlling shareholder agreement. Abstention would be recommended.

Vote Recommendation: *Abstain*

Results: For: 99.8, Abstain: 0.1, Oppose/Withhold: 0.0,

5.1. *Re-elect Dr Christoph Franz as Chairman*

Independent Non-Executive Chairman. There are concerns with respect to his remuneration structure, which lead to an abstain recommendation.

Vote Recommendation: *Abstain*

Results: For: 99.9, Abstain: 0.0, Oppose/Withhold: 0.0,

5.2. *Re-elect Dr Christoph Franz as a member of the Remuneration Committee*

As part of the Remuneration Committee, the Chairman would be able to have a direct impact on his own remuneration. Opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 99.8, Abstain: 0.1, Oppose/Withhold: 0.1,

5.3. *Re-elect Mr André Hoffmann*

Non-Executive Vice Chairman. Not considered to be independent as Mr. Hoffman is a representative of the founding family, which holds 45.01% of the Company's issued share capital through a shareholder pool, also Mr. Hoffmann has served on the Board for more than nine years. There are also concerns over his aggregate time commitment. In addition, he sits also on the Remuneration and Nomination committees, which raises concerns over the overlap of interests of the controlling shareholder with remuneration practices, as well as the appointment of directors on the Board. Opposition is thus recommended

Vote Recommendation: *Oppose*

Results: For: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

5.4. *Re-elect Mr André Hoffmann as a member of the Remuneration Committee*

It is considered that the Remuneration Committee should include exclusively independent members. This director is not considered to be independent. Opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 99.8, Abstain: 0.1, Oppose/Withhold: 0.1,

7. *Approval of the total amount of future remuneration for the Corporate Executive Committee*

The Company has proposed a prospective remuneration proposal, which means that the proposed amount will not be the actual amount to be paid, but only the total remuneration cap. The voting outcome of this resolution will be binding for the Company.

It is proposed to fix the remuneration of members of the Executive Committee until next AGM at CHF 37 million (CHF 20 million were paid for the year under review). The Company has not submitted its remuneration structure to an advisory vote, which is recommended by the local Corporate Governance Code. This proposal includes fixed and variable remuneration components. There are concerns with respect to the remuneration structure for Executives at the Company: the total variable remuneration at target exceeds 200% of the fixed salary and is based on undisclosed performance criteria and targets. This raises concerns over the actual link of pay with performance. On this basis, opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 99.7, Abstain: 0.1, Oppose/Withhold: 0.3,

9. *Appoint the auditors*

KPMG AG proposed. Non-audit fees were approximately 9.27% of audit fees during the year under review. Non-audit fees over a three year basis were approximately 7.77% of audit fees. The level of non-audit fees does not raise concerns. However, the auditors' term exceeds 10 years, which may create potential for conflict of interest on the part of the independent auditor. Opposition is thus recommended.

Vote Recommendation: *Oppose*

Results: For: 98.7, Abstain: 1.3, Oppose/Withhold: 0.0,

SSP GROUP PLC AGM - 03-03-2015

2. Approve Remuneration Policy

Total award for the CEO under all incentive schemes is considered highly excessive at 400% of her salary.

Long term performance measures are not linked to non-financial KPIs and the three year performance period is not considered long enough. Also, there is no additional holding period in use.

The recruitment policy raises concerns to the maximum variable pay opportunity in respect of recruitment. There are also concerns in regards to the Committee's level of discretion over the performance period of the PSP, the treatment of departing executives and the discretion to disapply pro-rata vesting. This level of discretion is not in the interest of shareholders. Adequate clawback and malus mechanisms soon to be in place, which is welcomed.

Rating: BDC

Vote Recommendation: *Oppose*

Results: For: 92.0, Abstain: 0.4, Oppose/Withhold: 7.6,

3. Approve the Remuneration Report

Following the IPO, the total amount paid to the CEO under the annual bonus and the long term incentive scheme is considered excessive at 351% of her salary. In addition, it is noted that the CEO also received £3,807,000 admission awards in cash and shares. Such discretionary award is considered highly excessive as it represents 507% of her proposed annual salary. Disclosure of the various elements of total remuneration are clearly disclosed and tabulated. However, certain individuals of the Board received additional awards in recognition of their contribution to the Admission of the Company onto the London Stock Exchange. These payments are not explained enough since no performance conditions for the bonus are described and it is unclear how the quantum of bonus was determined. The ratio of the CEO's cash awards compared to average employee is highly excessive at 278:1.

The Company uses two performance criteria for the Performance Share Plan (PSP), absolute EPS and relative TSR. The two conditions do not operate interdependently and, in addition, the vesting scales are not deemed sufficiently broad, vesting scales should be at least 6 EPS percentage points pa (or equivalent) or 3 TSR deciles. Based on these concerns, an oppose vote is recommended.

Rating: D

Vote Recommendation: *Oppose*

Results: For: 95.7, Abstain: 2.4, Oppose/Withhold: 1.9,

5. Elect John Barton

Newly appointed, Senior Independent Director. Considered independent. Potential time commitments.

Vote Recommendation: *Abstain*

Results: For: 98.3, Abstain: 1.3, Oppose/Withhold: 0.4,

11. Appoint the auditors: KPMG LLP

The total unacceptable non-audit fees exceed the audit and audit related fees at approximately 262.5% of fees during the year under review, and the three year average is 146.67%. There are concerns that this level of non-audit fees creates a potential for conflict of interest on the part of the independent auditor. Therefore, an oppose vote on the resolution is recommended.

Vote Recommendation: *Oppose*

Results: For: 95.9, Abstain: 0.1, Oppose/Withhold: 4.1,

THE SAGE GROUP PLC AGM - 03-03-2015

13. *Approve the Remuneration Report*

Significant changes in policy are fully explained, and most elements of each directors cash remuneration, as well as pension entitlements, are fully disclosed. However, remuneration paid in 2013 for the outgoing CFO (Paul Harrison) has not been disclosed in the 2014 Remuneration Report. The new CFO was appointed on a base salary of £480,000 which has since increased. This was a significant increase on appointment to the previous CFO's salary which has not been disclosed or explained. There is no clear ratio of total direct CEO pay to average employee pay disclosed by the Company. From the figures provided by the Company, this ratio has been estimated as being approximately 36:1, which is considered excessive. However, there is an acceptable balance between CEO pay and financial performance compared to the previous five years. An abstain vote is recommended. Rating: C

Vote Recommendation: *Abstain*

Results: For: 88.9, Abstain: 7.0, Oppose/Withhold: 4.2,

18. *Approve new long term incentive plan*

The purpose of the 2015 PSP will be to reward, incentivise and retain the employees who are selected to receive 2015 PSP awards.

The 2015 PSP introduces malus and clawback provisions which is welcomed.

Performance conditions may (and in the case of executives will) be measured over a period of at least three years (or such other period as the Board may determine). This minimum three year performance period for executives is considered insufficient. A five year performance period would better support long-term viability.

For the purposes of the 2015 PSP, the maximum value of shares which may normally be put under award to a participant in respect of any financial year is 300% of a participant's annual salary. In the event that the participant is granted a second award within 12 months of becoming an employee of the Group, the 300% limit will apply separately in respect of that second award. This is considered excessive.

This scheme also introduces Committee discretion to apply holding periods to awards. This provision can help with securing long-term employee commitment. However, the Committee does not intend to apply a holding period to PSP awards granted in 2015 but to keep the application of this provision under review for future grants.

In addition, the anticipated participation rate of this scheme is not clear, and the Company should consider the introduction of a plan that is open to all employees, on an equal basis, which allows all employees to share in the success of the company at no cost to themselves.

In light of these concerns, an oppose vote is recommended. Rating: DB

Vote Recommendation: *Oppose*

Results: For: 93.8, Abstain: 0.0, Oppose/Withhold: 6.1,

BRDESCO BANCO AGM - 10-03-2015

3. *Election of Board of directors*

It is common practice for Board members in Brazil to be elected to the Board using a slate system. Slate elections are evaluated taking into consideration the balance of independent representation on the Board. An oppose vote is recommended where an insufficient number of independent directors are included.

It is proposed to set the size of the Board at 10 members. It is proposed to re-elect the current Board and elect Aurélio Conrado Boni. There is insufficient independent representation on the Board. Opposition is thus recommended.

Vote Recommendation: *Oppose*

4. To elect the Fiscal Council's members and to establish their respective compensation

It is proposed to re-elect the members of the Fiscal Council: João Carlos de Oliveira, Domingos Aparecido Maia and José Maria Soares Nunes as primary members and Renaud Roberto Teixeira, Jorge Tadeu Pinto de Figueiredo and Nilson Pinhal as secondary members. In terms of good governance, it is considered that all of the candidates to the Fiscal Board should be independent. It is regrettable that the Company has bundled their election instead of seeking support for individual candidates. All of the candidates proposed have been or are employees of the Company. On this basis, opposition is recommended.

Vote Recommendation: *Oppose*

5. Board of Directors' proposals for the Management compensation and the amount to support the Management and Employee Pension Plans.

It is proposed to approve compensation for the Management (BRL 250 million in aggregate, including fixed and variable components) and the Fiscal Council (BRL 12,000 per month per member). It is regrettable that the Company bundled two compensations so different in nature.

The Fiscal Council only receives fixed fees, while salary for Management represents only 26% of total annual remuneration. It is noted that 45% of the total annual remuneration of Executives at the Company consists of Post Employment Benefits; that is, pension contributions. Pensions of this weight are considered to be an excessive supplementary compensation unrelated to performance and as such they raise serious concerns over the Company's remuneration structure. On this basis, opposition is recommended on this bundled resolution.

Vote Recommendation: *Oppose*

BANCO BILBAO VIZCAYA ARGENTARIA SA (BBVA) AGM - 12-03-2015

2.1. Re-elect José Antonio Fernández Rivero

Non-Executive Director. Not considered to be independent as has served as a executive manager of BBVA until 2003. In addition he has been on the Board for longer than nine years. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 97.7, Abstain: 0.4, Oppose/Withhold: 1.9,

2.3. Re-elect José Maldonado Ramos

Non-Executive Director. Not considered to be independent as he served on the Executive Board as Director and Secretary General until December 2009. He was also a Company Secretary for ARGENTARIA, S.A. until it merged with BBVA. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 96.0, Abstain: 0.4, Oppose/Withhold: 3.7,

7. Approve Board Remuneration Policy

It is proposed to approve the remuneration of the Board on an advisory basis. The Remuneration Policy covers both executives and non-executives and is valid for three years in compliance with Law 31/2014.

Non-Executive Directors receive an annual fixed fee, attendance fees plus 20% of their fixed salary in shares. The fees remain unchanged from last year. However, the

Company did not disclose individual attendance records, which makes impossible an accurate evaluation of attendance fees. In addition, any year directors receive 20% of the average fees received during the previous year, which will vest after they leave the Board. This is considered to be an inadequate severance agreement for non-executive directors.

As for Executives, the Company fails to disclose targets and measurable criteria for variable remuneration in the Remuneration Policy, which prevents shareholders from making an informed assessment. Total variable remuneration is capped at 200% in principle, although the CEO's total variable remuneration during the year under review exceeded 200% of his fixed salary which is deemed excessive, and may mean that the policy's application lacks consistency.

Given the lack of disclosure and the excessive total variable remuneration it is recommended to oppose.

Vote Recommendation: *Oppose*

Results: For: 95.4, Abstain: 0.4, Oppose/Withhold: 4.2,

8. Fix Maximum Variable Compensation Ratio

The Board seeks approval of an increase in the number of employees to which the maximum limit of variable remuneration of up to 200% of the fixed component is applicable. The Company discloses the criteria to include employees whose activities in the Company have a significant impact on the Group's risk (the key risk takers). However there is a lack of disclosure of sufficiently challenging targets. As this could potentially lead to discretionary bonuses, opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 97.9, Abstain: 0.2, Oppose/Withhold: 1.8,

9. Appoint the auditors

Deloitte proposed. Non-audit fees on the year under review were approximately 11.88% of fixed fees. On a three year aggregate basis non-audit fees were approximately 16.8% of audit fees. However, the auditors' term exceeds 10 years, which may create potential for conflict of interest on the part of the independent auditor. Opposition is thus recommended.

Vote Recommendation: *Oppose*

Results: For: 99.1, Abstain: 0.2, Oppose/Withhold: 0.7,

11. Approve the Remuneration Report

It is proposed to approve the remuneration report with an advisory vote for a period of three years.

The Board proposes that Non-Executives shall receive fixed fees of EUR 129,000 plus attendance fees. It is further proposed that total Non-executive remuneration shall be of EUR 6 million.

There is lack of good disclosure with respect of targets and measurable criteria for variable remuneration, which prevents shareholders from making an informed assessment. The CEO's total variable remuneration during the year under review exceeded 200% of his fixed salary which is deemed excessive. Severance payments are capped at less than 12 months total remuneration. The Board can award discretionary payments to executives, which raises concerns. There are no claw back clauses in place which is against best practice. Based on the lack of disclosure and the CEO's excessive total remuneration, opposition is advised.

Vote Recommendation: *Oppose*

Results: For: 96.9, Abstain: 0.4, Oppose/Withhold: 2.7,

MAPFRE AGM - 13-03-2015

5. Elect Luis Hernando de Larramendi Martinez as Director

Non-Executive Director. Not considered to be independent as he was elected in representation of Cartera Mapfre, the parent of Fundacion Mapfre, the controlling

shareholder which holds 67.8% of the issued share capital. In addition, he has served on the board for more than nine years. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 97.4, Abstain: 0.1, Oppose/Withhold: 2.5,

6. *Elect Alberto Manzano Martos as Director*

Non-Executive Director. Not considered to be independent as he is a non-executive representative of Cartera Mapfre S.L., which holds 67.8% of the Company's issued share capital. In addition, he was an executive serving as Vice Chairman until 5 March 2011. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 98.6, Abstain: 0.1, Oppose/Withhold: 1.3,

7. *Elect Antonio Miguel Romero de Olano as Director*

Non-Executive Director. Not considered to be independent as he represents Cartera Mapfre, the parent of Fundacion Mapfre, the controlling shareholder which holds 67.8% of the issued share capital. In addition, he has served on the Board for more than nine years. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 97.5, Abstain: 0.1, Oppose/Withhold: 2.4,

8. *Elect Alfonso Rebuelta Badias as Director*

Non-Executive Director. Not considered to be independent as he has been in the Board for more than nine years. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 98.3, Abstain: 0.1, Oppose/Withhold: 1.6,

36. *Approve the Remuneration Report*

It is proposed to approve the remuneration report with an advisory vote.

There is lack of disclosure with respect of targets and measurable criteria for variable remuneration, which prevents shareholders from making an informed assessment. Only the CEO's annual variable remuneration during the year under review is disclosed which corresponded to approximately 100% of his fixed salary and it may be overpaying for underperformance, in absence of quantified targets. The Company has in place a 10-year share plan which will start vesting in 2016. Severance payments are capped at 24 months of salary. There are no claw back clauses in place which is against best practice.

Based on the lack of disclosure and the excessive severance payments opposition is advised.

Vote Recommendation: *Oppose*

Results: For: 89.0, Abstain: 0.4, Oppose/Withhold: 10.6,

NOVO NORDISK A/S AGM - 19-03-2015

5.1. *Election of Ando Goran as Chairman.*

Non-Executive Chairman. Not considered to be independent as he is a member of the board of directors of Novo A/S which holds 26.37% of the Company's issued share capital and 74% of the Company's voting rights. In addition he has served on the board for more than nine years. There is sufficient independent representation on the Board. However, there are concerns over his aggregate time commitments.

Vote Recommendation: *Abstain*

Results: For: 99.5, Abstain: 0.4, Oppose/Withhold: 0.1,

6. *Appoint the auditors*

PricewaterhouseCoopers proposed. Non-audit fees were approximately 79.17% of audit fees during the year under review. Non-audit fees over a three year basis were approximately 72.6% of audit fees. There are concerns that this level of non-audit fees creates a potential for conflict of interest on the part of the independent auditor. In addition, the tenure of the auditor is more than 10 years (since 1982), which is considered excessive. On these grounds, opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 99.4, Abstain: 0.4, Oppose/Withhold: 0.2,

7.4. *Adoption of revised Remuneration Principles*

It is proposed to approve the revised remuneration principles, which include remuneration for Chairman and Member of the new Remuneration Committee. While there are no serious concerns with respect such changes, this proposal will also be the occasion to analyze the Company's remuneration structure as a whole. There is lack of disclosure with respect of targets and measurable criteria for variable remuneration, which prevents shareholders from making an informed assessment. Variable remuneration is capped at 200% of the fixed salary. However, 25%-30% of an executive's annual remuneration consists of pension contributions. Pensions of this weight function as an important remuneration component that is however not related to performance. Severance payments are capped at 24 months of salary and pension. There is a malus policy in place: long term incentives may be mitigated if targets are not achieved. Based on excessive pension contributions and severance, opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 99.4, Abstain: 0.2, Oppose/Withhold: 0.4,

5.2. *Election of of Jeppe Christiansen as Vice Chairman.*

Non-Executive Vice Chairman. Not considered to be independent as he is a member of the board of directors of Novo A/S which holds 26.37% of the Company's issued share capital and 74% of the Company's voting rights. There is sufficient independent representation on the Board. However, there are concerns over his aggregate time commitments.

Vote Recommendation: *Abstain*

Results: For: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

5.3 d). *Re-elect Thomas Paul Koestler*

Independent Non-Executive Director. There are concerns over his potential aggregate time commitments.

Vote Recommendation: *Abstain*

Results: For: 99.9, Abstain: 0.1, Oppose/Withhold: 0.0,

5.3 f). *Elect Mary Szela*

Independent Non-Executive Director candidate. There are concerns over her aggregate time commitments.

Vote Recommendation: *Abstain*

Results: For: 99.9, Abstain: 0.1, Oppose/Withhold: 0.0,

FOMENTO ECONOMICO MEXICANO AGM - 19-03-2015*I. Receive the Directors Report for 2014*

The report was not made available to shareholders sufficiently before the meeting. This is considered to be a frustration of shareholder accountability and abstention is recommended to signal this concern.

Vote Recommendation: *Abstain*

II. Receive the Directors Report on compliance with tax duties

The report was not made available to shareholders sufficiently before the meeting. This is considered to be a frustration of shareholder accountability and abstention is recommended to signal this concern.

Vote Recommendation: *Abstain*

III. Allocation of income

The Board has not disclosed audited financial information, which prevents shareholders to assess potential negative impacts on their rights. As the company has not made a proposal regarding the distribution of earnings for the fiscal year 2014 an oppose vote is recommended.

Vote Recommendation: *Oppose*

IV. Establish the maximum fund to use for share repurchase

It is proposed to establish a maximum award to repurchase company shares without pre-emptive rights. As the limit has not been disclosed, it is impossible to assess the impact on shareholders rights. Given the lack of disclosure, opposition is recommended.

Vote Recommendation: *Oppose*

V. Elect the Board of Directors

It is proposed to elect the Board of Directors. The list of candidates has not been disclosed. This prevents shareholders from assessing the composition of the Board. Given the lack of disclosure regarding current and future Board, it is recommended to oppose.

Vote Recommendation: *Oppose*

VI. Elect members of board committees

It is proposed to elect members of the Board Committees. Candidates were not available at this time. This prevents shareholders from assessing independence and competence of the candidates. Given the lack of disclosure it is recommended to oppose.

Vote Recommendation: *Oppose*

GIVAUDAN SA AGM - 19-03-2015**2. Consultative vote on the compensation report 2014**

It is proposed to approve the remuneration structure of the Company with an advisory vote. Submitting a separate advisory resolution on the Company's remuneration structure is not provided for by the Ordinance Against Excessive Payments but it is recommended by the local Corporate Governance Code.

The Company discloses measurable performance criteria for variable remuneration, including targets and achievements. The CEO's total variable remuneration during the year under review corresponded to 247% which is considered to be excessive, despite the good level of disclosure of the remuneration report. Severance payments are capped at 6 months of salary. The board cannot award discretionary payments to executives, which is welcomed. There are no claw back clauses in place which is against best practice and the spirit of the Ordinance Against Excessive Compensation.

Despite good disclosure and measurable performance criteria, opposition is recommended based on excessive remuneration and absence of claw back.

Vote Recommendation: *Oppose*

Results: For: 91.7, Abstain: 0.7, Oppose/Withhold: 7.6,

6.1.1. Re-elect Dr Jurg Witmer

Non-Executive Chairman. Not considered to be independent as Dr. Witmer was CEO of Givaudan until April 2005. In addition he has served on the Board for more than nine years. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 94.9, Abstain: 1.0, Oppose/Withhold: 4.2,

6.1.2. Re-elect Mr Andre Hoffmann

Non-Executive Vice Chairman. Not considered to be independent he has served on the Board for more than nine years. In addition Mr. Hoffmann is Vice Chairman and shareholder at Roche Holding from which the company was spun off in 1991. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 97.4, Abstain: 0.9, Oppose/Withhold: 1.7,

6.1.3. Re-elect Ms Lilian Biner

Non-Executive Director. Not considered to be independent as she owns Restricted Stock Units which are based on share price evolution and negatively impact her independence. There is a risk that directors act in their own interest rather than in the interest of the shareholders, which is their fiduciary duty. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 98.7, Abstain: 0.8, Oppose/Withhold: 0.5,

6.1.4. Re-elect Mr Peter Kappeler

Non-Executive Director. Not considered to be independent as he has been on the Board for more than nine years. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 98.5, Abstain: 0.8, Oppose/Withhold: 0.7,

6.1.5. Re-elect Thomas Rufer

Non-Executive Director. Not considered to be independent as he owns Restricted Stock Units which are based on share price evolution and negatively impact his

independence. There is a risk that directors act in their own interest rather than in the interest of the shareholders, which is their fiduciary duty. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 98.6, Abstain: 0.8, Oppose/Withhold: 0.6,

6.1.6. *Re-elect Prof. Dr Werner Bauer*

Non-Executive Director. Not considered to be independent as he owns Restricted Stock Units which are based on share price evolution and negatively impact his independence. There is a risk that directors act in their own interest rather than in the interest of the shareholders, which is their fiduciary duty. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 98.7, Abstain: 0.8, Oppose/Withhold: 0.5,

6.1.7. *Re-elect Mr Calvin Grieder*

Non-Executive Director. Not considered to be independent as he owns Restricted Stock Units which are based on share price evolution and negatively impact his independence. There is a risk that directors act in their own interest rather than in the interest of the shareholders, which is their fiduciary duty. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 98.4, Abstain: 0.8, Oppose/Withhold: 0.8,

6.2.1. *Elect Mr Michael Carlos*

Non-Executive Director candidate. Not considered to be independent as he has worked for the Company for 30 years, most recently as Global Head of Consumer Products, until his retirement in 2014. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 98.6, Abstain: 0.8, Oppose/Withhold: 0.6,

6.3. *Re-elect Dr Jurg Witmer as Chairman*

It is proposed to re-elect Mr. Witmer as Chairman of the Board. In terms of good governance, it is considered that the Chairman should be considered to be independent or there should be sufficient independent representation on the Board. Since neither of these applies, opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 95.2, Abstain: 0.9, Oppose/Withhold: 3.9,

6.4.1. *Elect Mr Andre Hoffman to the Remuneration Committee*

Not considered to be independent. Opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 97.0, Abstain: 0.8, Oppose/Withhold: 2.1,

6.4.2. *Elect Mr Peter Kappeler to the Remuneration Committee*

This director is not considered to be independent. Opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 98.8, Abstain: 0.8, Oppose/Withhold: 0.4,

6.4.3. *Elect Prof. Dr Werner Bauer to the Remuneration Committee*

This director is not considered to be independent. Opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 98.2, Abstain: 0.8, Oppose/Withhold: 1.0,

6.6. *Appoint Deloitte SA as auditors*

Deloitte SA proposed. Non-audit fees were approximately 2.78% of audit fees during the year under review. Non-audit fees over a three year basis were approximately 3.92% of audit fees. The level of non-audit fees does not raise concerns. However, the auditors' term is six years, which exceeds best practice. Abstention is thus recommended.

Vote Recommendation: *Abstain*

Results: For: 99.0, Abstain: 0.9, Oppose/Withhold: 0.1,

7.1. *Binding vote on compensation for the Board of Directors*

The Company has proposed a prospective remuneration proposal, which means that the proposed amount will not be the actual amount to be paid, but only the total remuneration cap. The voting outcome of this resolution will be binding for the Company.

It is proposed to fix the Board's remuneration until next AGM at CHF 3.3 million, which includes Restricted Stock Units, a form of variable payment. The increase on annual basis is nearly 11%, which is deemed excessive. In addition, Non-Executive Directors will receive a variable component on top of their fees, which is against best practice for this market and against the spirit of the Ordinance Against Excessive Compensation. On this basis, opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 96.1, Abstain: 1.0, Oppose/Withhold: 2.8,

7.2.1. *Binding vote on Annual compensation for members of the Executive Committee (2014 Annual Incentive Plan)*

It is proposed to approve the annual incentive for executives, in compliance with the Ordinance. The Annual Bonus corresponds to 20% of the total annual remuneration for the CEO (fixed salary is 25%) and 16% for other executives (29%) at target and it is capped at 200% of the target. The Company gives good disclosure of quantified targets and achievements.

Performance criteria are Sales growth targets in local currency and EBITDA margin, which is expressed as a percentage of Sales Growth (80% for the CEO). Each of the criteria have a weight of 50% on the total incentive. For the year under review, the Company discloses that participants achieved 100.7% of the target.

The Company provides a good disclosure and links the two criteria, which is welcomed. However, it is regrettable that the pivotal criterion (Sales Growth) is undisclosed, which makes an accurate assessment impossible. On this basis, abstention is recommended.

Vote Recommendation: *Abstain*

Results: For: 97.6, Abstain: 1.0, Oppose/Withhold: 1.3,

7.2.2. *Binding vote on compensation of members of Executive Committee (fixed salary and 2015 Performance share Plan)*

It is proposed to approve fixed remuneration and long term incentives for executives with a binding resolution. Long term incentives correspond to 55% of the total annual remuneration at target for the CEO as well as for other executives. However, they are capped at 200% of target. Fixed remuneration corresponds to 25% of the fixed salary for the CEO and 29% for other executives, meaning that long term incentives would exceed 200% of fixed salary already at target, which is deemed excessive.

The level of disclosure of the Company is above average for this market. There are however concerns that relying on sales and cash flow will link too much long term incentives with financial-only performance and will not take into account other factors, including environmental factors. Long term incentives are already considered

excessive at target. In addition, they may immediately vest upon termination of contract, which is against best practice. Based on these concerns, opposition is recommended.

Vote Recommendation: *Oppose*

Results: For: 92.6, Abstain: 0.7, Oppose/Withhold: 6.7,

NORDEA BANK AB AGM - 19-03-2015

7. Adoption of the income statement and the consolidated income statement, and the balance sheet and the consolidated balance sheet

Disclosure is acceptable and the report was made available sufficiently before the meeting. However, the following serious corporate governance concern has been identified. Nordea's CEO is currently being investigated for improper use of property of its client SCA. The investigations by the Swedish Financial Supervisory Authority look into the use of corporate jets of SCA and visits to SCA's hunting lodge. Therefore, opposition is recommended.

Vote Recommendation: *Oppose*

9. Discharge the Board and CEO

Standard proposal. In accordance with the Swedish Companies Act ch. 7 para. 11 Swedish companies offer the Board of Directors and President a discharge from liability for the financial year. However, the following serious corporate governance concern has been identified. Nordea's CEO is currently being investigated for improper use of property of its client SCA. The investigations by the Swedish Financial Supervisory Authority look into the use of corporate jets of SCA and visits to SCA's hunting lodge. Opposition is therefore recommended.

Vote Recommendation: *Oppose*

13. Election of Board members and Chairman of the Board

It is common practice for Board members in Sweden to be elected using a slate system. Slate elections are evaluated taking into consideration the balance of independent representation on the Board. An oppose vote is recommended where an insufficient number of independent Directors are included.

The Nomination Committee proposes the re-election of Bjorn Wahlroos as chairman of the Board. The following Non-Executive Directors have been proposed for re-election. Marie Ehrling, Tom Knutzen, Robin Lawther, Lars G Nordstrom, Sarah Russell and Kari Stadigh. The Nomination Committee proposes the election of Silvija Seres and Birger Steen as new members of the Board. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Recommendation: *Oppose*

15. Approval on establishing a Nomination Committee

The Swedish Code of Corporate Governance recommends that a company should elect an external Nomination Committee consisting of at least three members. At least one member of the Nomination Committee is to be independent of the company's largest shareholder. The company proposes that the Nomination Committee shall consist of representatives of the four major shareholders and the Chairman of the Board. As the Chairman Bjorn Wahlroos, is related to Sampo plc, which holds 21.4% of the Company's issued share capital, the composition of the committee does not meet best practice guidelines. Therefore, opposition is recommended.

Vote Recommendation: *Oppose*

18. Authorise Share Repurchase according to chapter 7 section 6 of the Swedish Securities Market Act

Authority allow the Board to repurchase shares within legal boundaries. The repurchase is limited to 10% of share capital and will be in force until next AGM. However according to resolution 17.a the Company already proposed a share repurchase of 9.99% of the Company's issued share capital. This additional share repurchase exceeds guidelines. Opposition is recommended.

Vote Recommendation: *Oppose*

19. Approve the guidelines for remuneration to the executive officers

It is proposed to approve the remuneration structure.

There is lack of disclosure with respect of targets and measurable criteria for variable remuneration, which prevents shareholders from making an informed assessment. The CEO's total variable remuneration during the year under review corresponded to 82.5% of his fixed salary and it may be overpaying for underperformance, in absence of quantified targets. Severance payments are capped at 12 months of salary. The board can award discretionary payments to executives, which raises concerns. There are no claw back clauses in place which is against best practice. Based on the lack of disclosure on performance criteria and targets, opposition is advised.

Vote Recommendation: *Oppose*

20.c. Shareholder Resolution: Assign the board of directors to write to the Swedish Government and propose that it shall promptly set up a committee with the instruction to promptly make a proposal for a change of the Swedish Companies Act meaning that the possibility to have shares with different voting rights shall be abolished.

It is proposed to assign the Board to advocate for the abolishment of shares with different voting rights among the Swedish Government. The Board does not support this proposal. It is considered best practice to follow the one-share one-vote principle. However, writing to the government is lobbying practice and there is a risk of potential governance issues. Abstention is recommended.

Vote Recommendation: *Abstain*

20.d. Shareholder Resolution: Assign the board of directors to take necessary measures to enable, if possible, the establishment of a shareholders association in Nordea.

It is proposed to enable the creation of shareholders association. The Board does not support this proposal. The establishment of an association would enhance shareholder rights for minority investors. However there is a lack of disclosure regarding the goals of the association. Abstention is recommended.

Vote Recommendation: *Abstain*

24.e. Shareholder Resolution: Special examination regarding Nordea's values and the legal-ethical rules. The special examination shall refer to both the practicality of and the adherence to these rules and, whenever applicable, lead to proposals for changes.

It is proposed to examine the Company's values and legal-ethical rules. The Board does not support this proposal. There is a lack of disclosure regarding the reasons for this examination and there are no concrete changes proposed. Abstention is recommended.

Vote Recommendation: *Abstain*

SCHINDLER HOLDING AG AGM - 20-03-2015**4.3. *Approve the variable compensation of the Board of Directors.***

It is proposed to approve the retrospective variable remuneration for the Board of Directors. The voting outcome of this resolution will be binding for the Company. It is proposed to approve the aggregate remuneration for the Board for last year, which amounts to CHF 6.5 million. Total variable remuneration (only for Executive Directors) amounts to CHF 6.496 million which corresponds to 118% of the aggregate fixed salary excluding pensions. The Company has not disclosed the targets for variable remuneration, which raises concerns over discretionary payments during next year. The Company discloses individual allocated remuneration for the Executive Chairman and other executives, which is welcomed. As per the Company's Bylaws, should this resolution be rejected, the remuneration allocated during the previous year will be subject to claw back.

The proposed amount is within the amount approved at the last AGM. However, the Company has not submitted an advisory vote on the 2014 Remuneration Base (as recommended by the local Corporate Governance Code) and does not state in the Bylaws what is the process in case this proposal were rejected by shareholders. On these grounds, and based on the lack of target disclosure and excessive variable remuneration it is recommended to oppose.

Vote Recommendation: *Oppose*

Results: For: 89.9, Abstain: 2.5, Oppose/Withhold: 7.6,

4.4. *Approve the variable compensation of the members of the Group Executive Committee.*

It is proposed to approve the retrospective variable remuneration for the Executive Committee. The voting outcome of this resolution will be binding for the Company. It is proposed to approve the aggregate remuneration for the Board for last year, which amounts to CHF 11.53 million. Total variable remuneration amounts to CHF 10.35 million which corresponds to 219% of the aggregate fixed salary excluding pension contributions which is deemed excessive. In addition, there are concerns over the level of pension contributions, which reached 50% in the case of the CEO and are reported under fixed salary. The Company has not disclosed the targets for variable remuneration, which raises concerns over discretionary payments during next year. The Company discloses individual remuneration for the CEO which is welcomed. As per the Company's Bylaws, should this resolution be rejected, the remuneration allocated during the previous year will be subject to claw back.

The proposed amount is within the amount approved at the last AGM. However, the Company has not submitted an advisory vote on the 2014 Remuneration Base (as recommended by the local Corporate Governance Code) and does not state in the Bylaws what is the process in case this proposal were rejected by shareholders. On these grounds, and based on the lack of target disclosure and excessive variable remuneration it is recommended to oppose.

Vote Recommendation: *Oppose*

Results: For: 91.1, Abstain: 1.5, Oppose/Withhold: 7.4,

5.2. *Re-elect Alfred N. Schindler*

Executive Chairman. He has holdings for 69.9% of the Company's share capital under a shareholders' agreement along with Luc Bonnard and Carole Vischer. There should be a clear division of responsibilities at the head of the Company between the running of the Board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision. Combining supervisory and executive roles in one person, along with major shareholding voting power, represents a concentration of power that is potentially detrimental to Board balance, effective debate, and Board appraisal. Opposition is thus recommended.

Vote Recommendation: *Oppose*

Results: For: 99.1, Abstain: 0.5, Oppose/Withhold: 0.4,

5.3.1. *Re-elect Prof. Dr. Pius Baschera as member of the Board of Directors and as member of the Compensation Committee.*

Non-Executive Director. Not considered to be independent as he has served on the Board for more than nine years. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 98.5, Abstain: 0.5, Oppose/Withhold: 1.0,

5.3.2. Re-elect Dr. Rudolf W. Fischer as member of the Board of Directors and as member of the Compensation Committee

Executive Director. Electing executive directors to the Compensation Committee is against the spirit of the Ordinance and would allow this candidate to have an impact on determining his own total remuneration. Opposition is thus recommended.

Vote Recommendation: *Oppose*

Results: For: 90.7, Abstain: 0.5, Oppose/Withhold: 8.8,

5.3.3. Re-elect Rolf Schweiger as member of the Board of Directors and as member of the Compensation Committee

Independent Non-Executive Director. There are concerns over his potential aggregate time commitments.

Vote Recommendation: *Abstain*

Results: For: 98.4, Abstain: 0.6, Oppose/Withhold: 1.0,

5.4.2. Re-elect Carole Vischer

Non-Executive Director. Not considered to be independent as she is a family member of the shareholder agreement which holds 69.9% of the Company's issued share capital. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 98.7, Abstain: 0.8, Oppose/Withhold: 0.5,

5.4.3. Re-elect Luc Bonnard

Non-Executive Vice-Chairman. Not considered to be independent as he belongs to the Bonnard family. The company's major shareholders are Schindler and Bonnard families who hold 69.9% of the Company's issued share capital. He has also held several positions in the company since 1972. There is insufficient independent representation on the Board.

Vote Recommendation: *Oppose*

Results: For: 99.0, Abstain: 0.5, Oppose/Withhold: 0.5,

5.4.5. Re-elect Anthony Nightingale

Independent Non-Executive Director. There are concerns over his potential aggregate time commitments.

Vote Recommendation: *Abstain*

Results: For: 98.3, Abstain: 1.2, Oppose/Withhold: 0.5,

5.6. Appoint the auditors

Ernst & Young Ltd. proposed. Non-audit fees were approximately 15.5% of audit fees during the year under review. Non-audit fees over a three year aggregate basis were approximately 25.4% of audit fees. There are concerns that this level of non-audit fees creates a potential for conflict of interest on the part of the independent auditor. In addition, the auditors' term exceeds 10 years, which raises further concerns for potential conflicts of interest. Opposition is thus recommended.

Vote Recommendation: *Oppose*

Results: For: 98.9, Abstain: 0.5, Oppose/Withhold: 0.5,

JAPAN TOBACCO INC AGM - 20-03-2015**2.1. *Elect Nakamura Futoshi***

The traditional governance structure for Japanese companies (Kansayaku) involves the appointment of corporate auditors. Large Japanese companies are required to form a board of corporate auditors with powers to examine board activities and oversee financial reports. Such companies are required by law to appoint at least three statutory auditors to the corporate audit board. At least half the corporate auditors must qualify as 'outsiders'. The definition of 'outsider' prohibits appointment of a corporate auditor whom the company has employed at any time in any capacity. PIRC's own definition of independence may go beyond the regulatory minimum. Japan's Companies Act of 2005 requires that the majority of a board of corporate auditors must be outsiders. Beyond this legal minimum, it is considered to be best practice that boards of corporate auditors should be composed wholly of outsiders. New appointments are therefore considered in the context of their affect on the balance of independence where disclosure allows.

This proposal: It is considered that two of the four candidates are independent. The corporate auditor board will be 50% independent in our view following the Annual Meeting. Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Recommendation: Oppose

2.2. *Elect Kojima Tomotaka*

Outside Corporate Auditor. Not considered to be independent.

Vote Recommendation: Oppose

SVENSKA HANDELSBANKEN AGM - 25-03-2015**8. *Receive the Annual Report***

Disclosure is acceptable and the report was made available sufficiently before the meeting. However, the Company has been involved in alleged improper use of corporate resources; namely SCA's corporate jet. Handelsbanken is one of SCA's major shareholders. Said involvement led the Chairman of Handelsbanken Mr. Nyren to resign and was replaced by the CEO, Mr. Boman, who is candidate as Chairman at this AGM. It is considered that the Company should have discussed publicly appropriate use of corporate resources or acceptance of excessive gifts, which is however covered by their ethical guidelines. There seem to be insufficient checks and balances that could prevent such alleged improper use of resources from happening again.

Vote Recommendation: Abstain

10. *Discharge the Board and the Group Chief Executive*

In accordance with the Swedish Companies Act ch. 7 para. 11 Swedish companies offer the Board of Directors and President a discharge from liability for the financial year. However, the Company has been involved in alleged improper use of corporate resources; namely SCA's corporate jet. Handelsbanken is one of SCA's major shareholders. Said involvement led the Chairman of Handelsbanken Mr. Nyren to resign and was replaced by the CEO, Mr. Boman, who is candidate as Chairman at this AGM. It is considered that the Company should have discussed appropriate use of corporate resources or acceptance of excessive gifts, which is however covered by their ethical guidelines. There seem to be insufficient checks and balances that could prevent such alleged improper use of resources from happening again.

Vote Recommendation: Abstain

17. Re-elect the Board of Directors

It is common practice for Board members in Sweden to be elected using a slate system. Slate elections are evaluated taking into consideration the balance of independent representation on the Board. An oppose vote is recommended where an insufficient number of independent Directors are included.

All of the Board members are proposed for re-election with the exception of Mr Sverker Martin-Lof and Mr Jan Johansson. As they will not stand for re-election, the nomination committee proposes the election of Ms Lise Kaae and Mr Frank Vang-Jensen as new members of the Board. Mr. Vang-Jensen is also the appointed CEO. The Nomination Committee also proposes the election of Par Boman as Chairman of the Board.

There is insufficient independent representation on the Board. In addition, it is not considered that this re-election offers a concrete solution to the improper practice that led to the so called corporate jet scandal. Opposition is recommended on this ground.

Vote Recommendation: Oppose

18. Appoint the auditors

KPMG and Ernst&Young proposed. Non-audit fees were approximately 6.25% of audit fees in aggregate during the year under review. Non-audit fees over a three year basis were approximately 2.58% of audit fees in aggregate. The level of non-audit fees does not raise concerns. However, the auditors' terms exceed 10 years, which may create potential for conflict of interest on the part of the independent auditors. Opposition is thus recommended.

Vote Recommendation: Oppose

19. Approve Remuneration Policy

It is proposed to approve the remuneration policy with a binding vote.

There is lack of disclosure with respect to the components of individual remuneration for Executives, which prevents shareholders from making an informed assessment. Although officially there is no variable compensation (only a profit-sharing scheme), the Board can decide to award special bonuses upon discretion, which raises concerns over the transparency of the remuneration structure. In addition, the Company reports pension contributions together with fixed salary, while they may be considered bonuses unrelated to performance, depending on the weight versus salary, as noted by the European Banking Authority among others. There are no severance agreements in place, however notice can reach 24 months' salary, which is deemed excessive. Based on excessive notice and Board discretion, opposition is advised.

Vote Recommendation: Oppose

22. Shareholder proposal: An investigation assignment for the Board

Proposed by Thorwald Arvidsson. Section 12 of the Bylaws provides for a voting rights limitation of 10 per cent. It is proposed to give mandate to the Board to investigate the matter and propose additions to the Bylaws with this respect. Although sound in principle, this mandate is unclear as of the intended outcome. Abstention is recommended.

Vote Recommendation: Abstain

23. Shareholder proposal: Assign the Board to contact the government

Resolution proposed by Thorwald Arvidsson. It is proposed to delegate the Board to write the Swedish government and ask to investigate the abolishment of different

voting powers within the Swedish Company's Act. Adherence to the one-share, one-vote principle is considered best practice and should be encouraged. However, writing to the Swedish government may be seen as lobbying and may involve governance concerns. On this basis, abstention is recommended.

Vote Recommendation: Abstain

24. Shareholder proposal: Assign the Board the task of taking to form a shareholders' association for the Bank.

Resolution proposed by Thorwald Arvidsson. It is proposed to delegate the Board to create a Shareholder's association within the Company. It is not clear what would be the functions and the role of this association. The Company has already a Nomination Committee where major and minority shareholders are represented. Abstention is recommended.

Vote Recommendation: Abstain

25. Shareholder proposal: A special examination pursuant to Chapter 10, Section 21 of the Swedish Companies Act

Resolution proposed by Thorwald Arvidsson. It is proposed to appoint a special examiner for executive remuneration at the Company. It is unclear what would be the boundaries for the action of the examiner. Abstention is recommended.

Vote Recommendation: Abstain

CANON INC AGM - 27-03-2015

3.1. Elect Mitarai Fujio

The Company operates under the Kansayaku-setchi-kaisha structure, with a board of directors and a board of corporate auditors. Sufficient data is available on which to base a judgement of the independence of all candidates. This proposal: Elect 17 directors of whom 16 are incumbent. When there are insufficient outside directors on the Board it is recommended to vote against the most senior director standing for election. President, Representative Director. It is considered the responsibility of the most senior Board member to ensure that there is appropriate outside oversight of Board decisions. However, as there are less than three outside directors, it is considered that there is inadequate outside presence on the Board, and opposition for the senior director is recommended.

Vote Recommendation: Oppose

4.1. Elect Oono Kazuto

The traditional governance structure for Japanese companies (Kansayaku) involves the appointment of corporate auditors. Large Japanese companies are required to form a board of corporate auditors with powers to examine board activities and oversee financial reports. Such companies are required by law to appoint at least three statutory auditors to the corporate audit board. At least half the corporate auditors must qualify as 'outsiders'. The definition of 'outsider' prohibits appointment of a corporate auditor whom the company has employed at any time in any capacity. The definition of independence may go beyond the regulatory minimum. Japan's Companies Act of 2005 requires that the majority of a board of corporate auditors must be outsiders. Beyond this legal minimum, it is considered to be best practice that boards of corporate auditors should be composed wholly of outsiders. New appointments are therefore considered in the context of their affect on the balance of independence where disclosure allows. It is considered that [the candidate is three of the five candidates are independent. The corporate auditor board will be 60% independent in our view following the Annual Meeting. Newly nominated Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Recommendation: *Oppose*

4 Appendix

The regions are categorised as follows:

ASIA	China; Hong Kong; Indonesia; India; South Korea; Laos; Macao; Malaysia; Philippines; Singapore; Thailand; Taiwan; Papua New Guinea; Vietnam
SANZA	Australia; New Zealand; South Africa
EUROPE/GLOBAL EU	Albania; Austria; Belgium; Bosnia; Bulgaria; Croatia; Cyprus; Czech Republic; Denmark; Estonia; France; Finland; Germany; Greece; Hungary; Ireland; Italy; Latvia; Liechtenstein; Lithuania; Luxembourg; Moldova; Monaco; Montenegro; Netherlands; Norway; Poland; Portugal; Spain; Sweden; Switzerland
JAPAN	Japan
USA/CANADA	USA; Canada; Bermuda
UK/BRIT OVERSEAS	UK; Cayman Islands; Gibraltar; Guernsey; Jersey
SOUTH AMERICA	Argentina; Bolivia; Brazil; Chile; Colombia; Costa Rica; Cuba; Ecuador; El Salvador; Guatemala; Honduras; Mexico; Nicaragua; Panama; Paraguay; Peru; Uruguay; Venezuela
REST OF WORLD	Any Country not listed above

The following is a list of commonly used acronyms and definitions.

Acronym	Description
AGM	Annual General Meeting
CEO	Chief Executive Officer
EBITDA	Earnings Before Interest Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FY	Financial Year
KPI	Key Performance Indicators - financial or other measures of a company's performance
LTIP	Long Term Incentive Plan - Equity based remuneration scheme which provides stock awards to recipients
NED	Non-Executive Director
NEO	Named Executive Officer - Used in the US to refer to the five highest paid executives
PLC	Publicly Listed Company
PSP	Performance Share Plan
ROCE	Return on Capital Employed
SID	Senior Independent Director
SOP	Stock Option Plan - Scheme which grants stock options to recipients
TSR	Total Shareholder Return - Stock price appreciation plus dividends

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