

PIRC Summary Report Appendix UK

DIAGEO PLC AGM Date: 2011-10-19

- | | |
|---|----------------|
| 1 Receive the Annual Report | Abstain |
| <p>Adequate environmental policy in place. However, we have concerns over political donations made during the year to non-EU political parties. Although it is acknowledged that this is standard practice in the US, political donations is not considered to be an appropriate use of shareholders' funds.</p> | |
| For: 98.11% - Oppose: 0.90% - Abstain: 1.00% | |
| 2 Approve the Remuneration Report | Oppose |
| <p>The primary long term plans are the Senior Executive Share Option Plan (SESOP) and the Performance Share Plan (PSP). The SESOP is based on EPS as the sole performance measure. Based on the current brokers forecasts and maximum award levels, the targets are not considered sufficiently challenging. Maximum awards were granted worth 375% of salaries, during the year. Under the PSP, the performance condition for awards made up to and including September 2010 was TSR and adjusted EPS. PIRC in general, considers that any long term incentive scheme should apply two testing performance conditions concurrently, one based on a relative measure and the other on an absolute condition. We note that the final award of performance shares made under the expired 1998 TSR plan lapsed in full in September 2010, failing to meet the performance condition based on TSR performance. The Chief Executive and the Finance Director were awarded shares worth 375% and 300% of salaries, respectively.</p> <p>Combined awards are considered excessive and contrary to best practice, the maximum award can be increased to an unquantified level at the remuneration committees discretion. However, it is noted that the committee has never used this discretion. A modest increment in salary was made to the Chief Executive during the year however the Chairman's fees were increased 25%.</p> <p>Directors have one year rolling contracts which specify predetermined compensation equivalent to 12 months' salary and benefits. The remuneration committee may exercise its discretion to require half of the termination payment to be paid in monthly instalments and to require mitigation. The remuneration committee has the discretion to reduce termination payments further in the event of poor performance. Rating: BDB</p> | |
| For: 78.84% - Oppose: 19.71% - Abstain: 1.44% | |
| 4 To re-elect PB Bruzelius | Abstain |
| <p>Independent Non Executive Director. However, we have concerns over her aggregate time commitments.</p> | |
| For: 97.51% - Oppose: 2.01% - Abstain: 0.48% | |
| 6 To re-elect Lord Davies | Abstain |
| <p>Independent Non Executive Director. However, he has missed two board and two audit committee meetings.</p> | |
| For: 98.74% - Oppose: 0.88% - Abstain: 0.38% | |
| 7 To re-elect BD Holden | Abstain |
| <p>Independent Non Executive Director. However, we have concerns over her aggregate time commitments.</p> | |
| For: 99.32% - Oppose: 0.25% - Abstain: 0.44% | |
| 10 To re-elect PG Scott | Abstain |
| <p>Independent Non Executive Director. However, he has missed one audit committee meeting.</p> | |
| For: 99.33% - Oppose: 0.29% - Abstain: 0.38% | |
| 13 Appoint the auditors | Abstain |
| <p>KPMGAudit Plc proposed. Consultancy related non-audit fees amounted to £1.9m and are more than 25% of the audit fee in the year under review and on a three year aggregate basis raising independence concerns over the external auditors.</p> | |
| For: 98.99% - Oppose: 0.48% - Abstain: 0.53% | |
| 17* Authorise Share Repurchase | Abstain |
| <p>Authority limited to 10% of the issued share capital. Within recommended limits. However, there is no written assurance that EPS targets will be adjusted to take account of any share buy-back during the year.</p> | |
| For: 99.09% - Oppose: 0.51% - Abstain: 0.41% | |
| 18 Approve Political Donations | Oppose |
| <p>Authority sought is for GBP 200,000 in relation to either expenditure or donations in aggregate.</p> | |

Exceeds acceptable limits. In addition, the company has made political donations that are clearly political in nature.

For: 96.69% - Oppose: 3.10% - Abstain: 0.21%

BHP BILLITON GROUP (GBR) AGM Date: 2011-10-20

1 Receive the Annual Report **Oppose**
Adequate environmental policy in place, however, there is no vote on the dividend policy.

10 To re-elect Wayne Murdy **Abstain**
Independent Non Executive Director. However, he has missed one audit committee meeting.

18 Approve the Remuneration Report **Oppose**
Disclosure of cash remuneration, share awards and pension arrangements is comprehensive. The performance measures and maximum award (on an expected value basis only) under the LTIP are disclosed. The Long Term Incentive scheme uses only one performance condition i.e. TSR. PIRC considers that long term incentive schemes should apply at least two performance criteria concurrently, one of which against a named comparator group. The minimum target is not considered challenging given the correspondent level of salary available. The performance period is over five years which is considered best practice and the vesting scale is sufficiently broad.

The salary of the sole executive, Marius Kloppers, is at the top of the comparator group and combined remuneration is considered excessive during the year under review. The company operates a Shareplus scheme for all employees. The current share holding requirement for the Chief Executive is 300% of one year's base salary on an after-tax basis, however, no time limit requirement to attain these shareholdings is disclosed. Contracts are one year rolling with termination provisions of 12 months salary plus retirement benefits. Rating: BDB

ASHMORE GROUP PLC AGM Date: 2011-10-27

6 To re-elect Nick Land **Abstain**
Senior Independent Director and chairman of the Audit Committee. Independent by PIRC. The audit committee report does not comply with PIRC guidelines, therefore abstention is recommended.

For: 96.99% - Oppose: 2.75% - Abstain: 0.26%

9 Approve the Remuneration Report **Oppose**
EBIT and AuM targets for the annual bonus are not specifically disclosed. TSR targets are disclosed. Due to the remuneration's committee's discretion, it is unclear whether bonus payments will be included in termination provisions. TSR is used as the single performance criterion under the long-term incentive schemes. PIRC considers it best practice that performance schemes apply more than one performance measure concurrently. Share schemes operate on a 15% dilution limit, contrary to best practice.

Combined remuneration is considered excessive despite the low base salaries as the CEO and FD received 48 and 7 times their base salary in the year under review, respectively. Directors are on a one year rolling contract and do not contain contractual entitlements to receive bonus payments or to participate in the company's share plans. Rating: CDB

For: 88.87% - Oppose: 4.80% - Abstain: 6.34%

10 Appoint the auditors **Oppose**
KPMG Audit Plc proposed. Consultancy related non audit fees amounted to £400,000 and is more than 100% of the audit fee in the year under review and on a three year aggregate basis.

For: 97.89% - Oppose: 2.11%

GO-AHEAD GROUP PLC AGM Date: 2011-10-27

2 Approve the Remuneration Report **Oppose**
Cash remuneration and pension contributions are clearly disclosed as are share awards. The company's policy clearly goes beyond the standard 'attract, retain and motivate'. ESG issues are key matters of consideration for the remuneration structure of the company. Maximum awards under the bonus scheme and relevant performance conditions are disclosed although PIRC considers that the company should provide more detailed information about the nature of the bonus targets.

We do not consider the vesting targets for the LTIP to be sufficiently challenging, and the vesting scale is not considered to be sufficiently broad. Combined awards are potentially excessive, although average salaries are around median of sector. We note that no awards vested under the LTIP for the year under review. There is a Share Incentive Plan which is available to all employees.

All executive contracts are one-year rolling. The company states that other than the notice periods specified, directors are not due any contractual compensation payments in the event of loss of office. There is a statement of mitigation. PIRC considers that the company should make the notice period entitlements more clear. Rating: BDB

For: 96.65% - Oppose: 1.63% - Abstain: 1.61% - Discretionary to Chair: 0.11%

- 6 To re-elect Sir Patrick Brown** **Abstain**
Chairman. Independent on appointment. There are concerns over his time commitments and we note that he missed 2 board meetings and 1 audit committee meeting. Shareholders are recommended to abstain.

For: 97.72% - Oppose: 0.86% - Abstain: 1.32% - Discretionary to Chair: 0.10%

- 7 To re-elect Rupert Pennant-Rea** **Abstain**
Senior Independent Director. Independent by the company, independent by PIRC. There are concerns over his aggregate time commitments. Abstention is recommended.

For: 97.56% - Oppose: 1.00% - Abstain: 1.32% - Discretionary to Chair: 0.11%

- 10 Appoint the auditors** **Abstain**
Ernst & Young LLP re-appointed. Non-audit fees during the year under review were £200,000. This represents 33.33% for the year under review and 50% on a three-year aggregate. There are concerns over the independence of the auditors and thus abstention is recommended.

For: 98.67% - Oppose: 0.20% - Abstain: 1.01% - Discretionary to Chair: 0.12%

GENESIS EMERGING MARKETS FUND LTD AGM Date: 2011-10-28

- 1 Receive the Annual Report** **Oppose**
Voting policy and investment policy relating to social, ethical and environmental issues in portfolio companies have not been disclosed. The company is incorporated with limited liability in Guernsey as a closed end investment company and is therefore not obligated to seek shareholder authority for the remuneration report. Irrespective of the country of incorporation, PIRC considers that all UK listed companies should seek shareholder approval for the remuneration report.

- 8 Authorise Share Repurchase** **Oppose**
Authority sought to repurchase Participating Preference Shares up to a maximum of 20,200,000, which represents 14.86% of all the Participating Preference Shares. The authority expires no later than the next AGM. Within recommended limits however the resolution has not been put forward as a special resolution. In normal circumstances an abstain vote would have been recommended however as abstaining is not an option, an oppose vote is recommended.

WETHERSPOON (JD) PLC AGM Date: 2011-11-03

- 2 Approve the Remuneration Report** **Abstain**
The company link executive remuneration to pay elsewhere in the company. However, targets for the share incentive plan are not disclosed. Under the Deferred Bonus Scheme, no awards were made during the year. Awards made and vested during earlier periods are clearly tabulated. Executives currently participate in the Share Incentive Plan, an all-employee share scheme, and the Deferred Bonus Scheme. Combined awards are not excessive, and executives' salaries are low for the sector. Executives have one year rolling contracts, and mitigation is applied. Rating: CBB

For: 98.42% - Oppose: 0.53% - Abstain: 1.05%

- 3 Re-elect Tim Martin** **Abstain**
Executive Chairman, founder and owner of 23.6% of the issued share capital. We note, a clear division of responsibility exists between him and the chief executive. However, PIRC considers that a chairman should not take on executive responsibilities.

For: 98.83% - Oppose: 0.71% - Abstain: 0.46%

- 8 Re-elect Sir Richard Beckett** **Abstain**
Independent Non-Executive Director. He missed one audit committee meeting.

For: 98.83% - Oppose: 0.70% - Abstain: 0.47%

DECHRA PHARMACEUTICALS PLC AGM Date: 2011-11-04

- 2 Approve the Remuneration Report** **Oppose**
The maximum award available under the bonus scheme is clearly stated as is the main performance condition under the scheme, but the nature of personal objectives are not disclosed and nor are quantitative targets utilised during the year. The company on engagement has stated this is commercially sensitive information but targets achieved during the year are retrospectively disclosed. The maximum award and performance conditions applying to the LTIP are clearly set out.

The LTIP is the primary long term incentive in operation. We support the inter-linked application of an absolute and a relative performance condition under the scheme. However, we do not consider the EPS hurdle to be sufficiently challenging in view of forecast growth in EPS. The TSR targets are not considered as stretching enough in view of the level of award available and nor do we regard the twenty-five percentile vesting scale as broad enough in terms of incentivising a significant improvement in performance beyond the vesting threshold.

Executives have one year rolling contracts. The company may make a payment in lieu of notice of

up to 12 months' salary and benefits. No liquidated damages provisions are in place. The board applies the principle of mitigation 'in appropriate circumstances', except in the event of dismissal following a change of control. The remuneration report states that non-executive directors have service contracts which provide for 12 months notice and compensation on termination of up to 12 months remuneration. The provision of a twelve month notice period is significantly longer than the market average and potentially represents an inappropriate use of shareholders' funds in our view.
Rating: BDC

For: 98.40% - Oppose: 1.38% - Abstain: 0.22%

8 Appoint the auditors

Oppose

KPMGAudit Plc proposed. Consultancy related non-audit fees amounted to £809,000 and is more than 300% of the audit fee in the year under review and more than 100% on a three year aggregate basis, raising independence concerns over the external auditors. It is noted that £0.572m related to acquisition services (Dermapet and Genitrix acquisitions) undertaken by the auditor for FY2011.

For: 98.34% - Oppose: 1.46% - Abstain: 0.21%

EURASIAN NATURAL RESOURCES EGM Date: 2011-11-07

1 That the transaction set out in the Shareholder Circular dated 11 October 2011 be approved

Abstain

Background of the transaction:

On 16 February 2009, Eurasian Natural Resources Corporation (ENRC) PLC announced that the Group had acquired shares representing approximately 25% of the issued common share capital of Shubarkol Komir JSC from Eurasian Finance-Industrial Company JSC (EFIC) and certain minority shareholders of Shubarkol, for a cash consideration of US\$200 million. EFIC was, at the time of the acquisition, a private company wholly-owned by Mr. Ibragimov, Mr. Chodiev and Mr. Machkevitch (collectively known as the Founder Shareholders), who are significant shareholders of ENRC with an aggregate shareholding of approximately 43.8% of ENRC's issued ordinary share capital.

In connection with the Initial Acquisition, the Group was granted a call option to acquire all or part of the remaining common shares in Shubarkol held by EFIC on the basis of a total equity valuation of Shubarkol of US\$800 million. The Call Option was originally entered into between ENRC and EFIC, however, following a reorganisation of EFIC which was completed in May 2009, EFIC ceased to exist as a legal entity and its assets were distributed amongst two successor entities, Eurasian Industrial Company JSC (EIC) and Eurasian Finance Company JSC. As part of this reorganisation, the common shares in Shubarkol held by EFIC and the obligations of EFIC under the Call Option were transferred to EIC. EIC, being the owner of all of the issued common shares in Shubarkol not already owned by the Group, is a private company which is also wholly-owned by the Founder Shareholders mentioned in the first paragraph.

ENRC is proposing to acquire up to 2,638,103 common shares in Shubarkol (representing approximately 75% of the issued common share capital of Shubarkol) from EIC for an aggregate purchase price of up to US\$600 million (payable in an equivalent amount of Kazakhstan Tenge) by exercising the call options. The Acquisition will be effected through the Kazakhstan Stock Exchange by way of an Open Trade involving what is, in effect, an auction held on the stock exchange under applicable Kazakhstan Stock Exchange regulations.

If ENRC is unable to acquire at least 50% of the common share capital of Shubarkol through the Open Trade (which would lead to ENRC owning in aggregate over 75% of Shubarkol's issued common shares), it intends to withdraw its participation in the Open Trade and will not proceed with the Proposed Transaction. The total consideration payable by ENRC for common shares in Shubarkol pursuant to the Open Trade and tender offer will be determined pro rata to the US\$800 million aggregate consideration payable if 100% of the common shares of Shubarkol are successfully acquired by ENRC.

If the Acquisition is completed, ENRC will be required in accordance with Kazakhstan law to make a tender offer to all preference shareholders to acquire the issued preference shares in Shubarkol. While Kazakhstan legislation does not prescribe the terms upon which the Tender Offer must be made or the price that must be offered for the preference shares, ENRC has commissioned Expert Appraisal Centre in Almaty, Kazakhstan to conduct an independent valuation of the preference shares, which values the entire issued preference share capital of Shubarkol at KZT 1,849,322,499 (approximately US\$12.6 million). Accordingly, if the Acquisition is completed, the Tender Offer will be made at a price of KZT 15,537 per preference share (approximately US\$106 per preference share).

The Proposed Transaction constitutes a related party transaction under the Listing Rules and, as a result, its completion requires the approval of Independent ENRC Shareholders in accordance with the Resolution contained in the notice of General Meeting set out at the end of this document. In accordance with the Listing Rules, the Founder Shareholders will not vote (and have undertaken to

take all reasonable steps to ensure that their respective associates will not vote) on the Resolution to be proposed at the General Meeting.

Reasons behind the proposal:

The company stated that its strategy is to achieve growth as a leading natural resources company. The strategy also aims to bridge the Group's current position as a diversified natural resource group largely based in Kazakhstan with its aspiration to become a more international mining group. ENRC reported that the initial acquisition strengthened the Group's integrated business model by securing a reliable and cost-effective supply of semi-coke and relatively high quality thermal coal. It also stated that the Group's position as a low cost producer was enhanced whilst preserving cash resources for organic investments and other acquisition opportunities and maintaining the ability to secure full ownership of Shubarkol at a future date. The Directors believe that Shubarkol is an increasingly important strategic asset and that the Acquisition will create value for ENRC Shareholders. Furthermore, following completion of the Acquisition, the Directors anticipate that approximately 50% of the semi-coke and the majority of the coke produced by the Shubarkol Group will be used in ENRC's operations, with the balance being sold to third parties. It is anticipated that the majority of the thermal coal produced by the Shubarkol Group will be sold to third party customers.

Analysis:

In its analysis, PIRC takes into account the level of information provided in justification of the proposal, as well as the level of independent representation on the board. The board is deemed suitably independent to execute the proposition with the required objective oversight. However we have some reservations. There is no disclosure from the board regarding whether the price involved for the acquisition represents a premium or a discount to the market price. Also, we note that following the meeting held on 8 June 2011, four directors left the board. This situation has scope for potential conflicts of interests between the remaining directors and the majority shareholders, who are also owners of Shubarkol. Based on these two concerns, shareholders are recommended to abstain.

A & J MUCKLOW GROUP PLC AGM Date: 2011-11-08

4 Re-elect Rupert Mucklow

Abstain

Executive Chairman. The families of Albert J Mucklow (Hon Pres, previous Chair and father of the Chairman) and Margaret A Hickman (aunt of the Chairman) (the Concert Party) collectively have an interest in 13,566,174 Ordinary shares representing 22.58% of the issued Ordinary Share Capital. Although the concert party is not deemed to have a controlling shareholding, there are concerns over the concentration of power at the helm of the company due to his link to the shareholders mentioned and his executive powers. Thus it is recommended to abstain.

For: 99.27% - Oppose: 0.12% - Abstain: 0.34% - Discretionary to Chair: 0.26%

HAYS PLC AGM Date: 2011-11-09

3 Approve the Remuneration Report

Oppose

Disclosure of remuneration and pension arrangements is acceptable. The company provides an expected breakdown between fixed and performance based elements of remuneration. There is evidence that pay elsewhere in the company is considered in relation to executive remuneration. Performance targets and maximum awards are adequately disclosed for the long term incentive schemes. Bonus measures are described and targets relative to consensus are given, except for the personal objectives criteria. The company has stated that key shareholders were consulted in respect of the changes to executive remuneration policy, which we welcome.

The EPS target is not considered sufficiently challenging in light of brokers' forecasts. We note the reduced weighting of the cash conversion for FY2011 as compared to the previous year. Also, the company reported to set its EPS targets using market consensus being a range of +/- 4% around the consensus forecast EPS as the starting point for the three-year cycle. It is unclear why the company would consider a range that includes a target being slightly below the consensus EPS, i.e. up to -4% below. Furthermore, it is unclear as to what the company refers to be a "cycle".

It is considered that two or more performance measures be used in a concurrent fashion. The TSR targets were equally considered not to be challenging. Variable pay is potentially excessive in PIRC's view as are the awards made during the year. Average salaries are high for the comparator group. HAYS PLC switched from Cumulative EPS + Cumulative Cash Conversion in FY 2008, to Total Shareholder Return in FY 2009, and back to Cumulative EPS + Total Shareholder return in FY 2010. These radical changes to the performance criteria have not been adequately justified in our opinion, which raises concerns about the overall policy surrounding the long term incentive plan and its intrinsic link to the company's long term objectives.

We also note that the company have excluded IT capital expenditure in its calculation of cumulative cash conversion, and no justification was provided for such a treatment.

Directors have one year rolling contracts allowing for compensation representing one year's salary and contractual benefits. The company considers that directors have a responsibility to mitigate their loss. The remuneration committee also has discretion to pay a predetermined sum in lieu of notice. PIRC does not consider it acceptable for unearned bonuses or other awards to be included in compensation payments and notes that past practices of the company with regards to termination provisions were not in line with best practice. Rating BDC.

For: 93.68% - Oppose: 5.36% - Abstain: 0.96%

16* Authorise Share Repurchase

Abstain

Authority limited up to 10% of the issued share capital and expires no later than the next AGM. However, there is no written assurance provided that EPS results will be, for the purpose of any incentive awards, adjusted to take account of the effect of any buyback during the year. Therefore, an abstain vote is recommended.

For: 98.42% - Oppose: 0.11% - Abstain: 1.46%

CLOSE BROTHERS GROUP PLC AGM Date: 2011-11-17

2 Approve the Remuneration Report

Oppose

Overall disclosure, particularly in relation to annual bonus arrangements, is very complex. The company advised PIRC that the relative complexity arose following the adoption of the new 2011 FSA Code on Remuneration. Whilst we appreciate the effort to adopt the new code and the company's efforts to justify the complexity of the existing awards, the operation of the annual bonus scheme remains confusing. The expected values of awards made under the LTIP are not disclosed and the TSR element of the LTIP is measured in absolute terms which would appear to preclude comparator group performance. The company explained that Close Brothers Group does not have any obvious direct comparators making relative return based TSR a poor proxy for performance.

The SMP applies the same performance criteria as those set for the LTIP which effectively rewards directors twice for achieving the same results. Executives are required to accumulate holdings in the Company, which currently represent some 200% of salary. Further, directors are required to mitigate their loss.

EPS targets for the LTIP are not challenging based on brokers' forecasts. The levels of actual combined awards made during the year are excessive. Further, the potential level of combined remuneration is wholly excessive and offers directors the opportunity to earn about 700% salary based on the operation of cumulative incentive awards. This is compounded, in terms of the nominal amounts, by increases made to executive salaries going forward, which in the case of Stephen Hodges represents a 17% year-on-year increase.

Rating: DDB

For: 71.59% - Oppose: 22.63% - Abstain: 5.78%

13 Appoint the auditors

Abstain

Deloitte LLP proposed. Non-audit fees (GBP xxx) represent xx% of the audit fees for the year under review. On a three-year aggregate basis non-audit fees represent approximately xx% of the audit fees. PIRC has concerns that this level of non-audit fees creates a potential for conflict of interest on the part of the external auditor.

For: 96.98% - Oppose: 2.06% - Abstain: 0.97%

18* Authorise Share Repurchase

Abstain

Authority is limited to 10% of the issued share capital and expires no later than the next AGM. Within recommended limits however there is no written assurance provided that EPS results will be, for the purpose of any incentive awards, adjusted to take account of the effect of any buyback during the year.

For: 99.57% - Oppose: 0.08% - Abstain: 0.35%

SMITHS GROUP PLC AGM Date: 2011-11-22

2 Approve the Remuneration Report

Abstain

Remuneration report rating of BBC, B for disclosure; B for balance of rewards; and C for contracts.

The performance criteria for the annual bonus have not been clearly defined. Annual Bonus for the CEO and FD can reach 180% and 150% respectively based on a combination of corporate and financial goal. It is to be noted that these goals were not disclosed and the CEO's and FD's bonus reached 114.9% and 81.4% respectively.

The Company also operates a Co-investment Plan (CIP); Performance Share Plan 2007/08 (PSP); and

for the year under review awards were made under the 2010 Value Sharing Plan (VSP), which the company intends to replace with a new LTIP being proposed at this Annual Meeting. Awards under the PSP vested after three-years. One third of the award vests in full as the Company's TSR exceeded the 75th percentile over the three-year performance period. The remaining two thirds vested in full as the Company's EPS compound growth rate was between 5% and 12% annually. These targets are considered to be challenging.

Aggregate awards made during the year are not considered to be excessive, although their structure potentially promotes excessive payments. Termination payments would comprise base salary, pensions and benefits, however, the treatment of awards for leavers remains subject to Remuneration Committee discretion, and there are no guidelines for how this discretion would be used. Based upon a rating of: BBC, an abstain vote is recommended.

For: 57.14% - Oppose: 26.27% - Abstain: 16.59%

8 Re-elect Mr S.J. Chambers

Abstain

Non-Executive Director. Independent by PIRC. The director missed one of the three audit committee meetings he was eligible to attend, however, the Company has provided an assurance that this was to attend to an unavoidable overseas related matter. It is viewed that the mitigating reason is insufficient justification for an absence from the meeting as disclosed, so an abstain vote on his re-election is recommended.

For: 94.79% - Oppose: 3.66% - Abstain: 1.55%

16* Authorise Share Repurchase

Abstain

Authority limited to 10% of the issued share capital and expires no later than the next Annual Meeting. Within acceptable limits. There has been insufficient assurance from the Company that any Plans making use of EPS targets will be amended to discount the repurchased shares, therefore an abstain vote is recommended.

For: 97.80% - Oppose: 0.44% - Abstain: 1.76%

19 Approve new long term incentive plan

Abstain

The proposal seeks approval for the Long Term Incentive Plan 2011 ('LTIP') a conditional share award which replaces the 2010 Value Sharing Plan (VSP). The LTIP seeks to make grants to the Chief Executive, the Finance Director and other senior executives, all of whom have group-wide responsibilities. The Committee have the discretion to make awards outside this group.

Administered by: The remuneration committee (currently 83% independent), who also have discretion over participation and other factors, including the ability to vary performance measures as desired. Performance targets cannot be amended to the advantage of participants without shareholder approval.

Maximum annual award per participant: 300% of basic salary for CE, 200% base salary for Finance Director and between 50% and 150% for other executives.

Performance criteria and target: Dependent upon three separate performance conditions: 30% relative total shareholder return (TSR); 50% growth in earnings per share (EPS); and 20% cash conversion. Further details are: The vesting of 30% of an award will depend on the Company's total shareholder return ('TSR') relative to the other companies included in the FTSE 100 index (excluding financial services companies) at the beginning of the Performance Period; EPS will be measured in terms of the compound annual growth in EPS achieved over the Performance Period by comparison with the EPS of the financial year immediately preceding the Performance Period; and the vesting of the remaining 20% of the award will depend on the Company's cash conversion. For these purposes, cash conversion shall be calculated as headline operating cashflow / headline operating profit.

The TSR element of the award will vest in full if the Company's TSR is at or above the 75th percentile; 25% of this element will vest if the Company's TSR is at the median; there will be straight line pro-rata vesting if the Company's TSR falls between the median and the 75th percentile. No part of this element will vest if the Company's TSR is below the median. The EPS element of the award will vest in full if the Company's compound annual growth rate in EPS is equivalent to or greater than 14% per annum; 25% of this element will vest if compound annual growth in EPS is equivalent to 6% per annum; this element will vest on a straight line basis for compound annual growth in EPS between 6% and 14%. No part of this element will vest for compound annual growth in EPS below 6%. The Committee considers that the achievement of compound annual EPS growth of 14% per annum is a suitably demanding. The Cash Conversion element of the award will vest in full if the Company's three year average cash conversion ratio is at least 100%; 25% of this element will vest if the ratio is 85%, with straight line vesting for ratios between 85% and 100%. Comparator group: FTSE100 (excluding financial services companies).

Dilution limits: Maximum of 10% of ordinary share capital over ten years for all employee option

schemes, and in addition in any ten-year period, the Company may not grant options or awards under the LTIP or any discretionary share plans adopted by the Company or any other company under the Company's control if such grant would cause the number of ordinary shares issued under the plans to exceed 5% of the Company's issued ordinary share capital at the proposed date of grant.

Take-over arrangements: In the event of a change of control of the Company, performance will be measured to the date of change of control and awards will vest to the extent that the EPS, TSR and Cash Conversion performance conditions are met by that date.

Vote summary: The new Plan receives a rating of 'CB', with a C for the balance of performance and payout issues; and a B for other issues relating to: disclosure, criteria used; discretionary powers, dilution levels and vesting periods. Key issues that lead to a C rating for the the performance/payouts issues are the high levels of potential payouts relative to basic salary, which are 300% for the CE and 200% for the FD. There are positive points that the vesting scale, minimum vesting scales, and that salaries are broadly in line with their index. The B rating for other issues is influenced by: the maximum and minimum awards relative to salary being disclosed; the targets and takeover provisions are stated and there are a range of metrics used. However, the Remuneration Committee is considered to have too much discretion although the Company makes a statement that they were requested by institutional shareholders to include discretion at the design stage to help "avoid or correct any unforeseen or unintended consequences." The inclusion of a discretionary element might be welcomed by shareholders if the use of the discretionary powers are clearly disclosed and the processes for their use transparent, as this does not appear to be the case at present this cannot be a mitigating factor at the moment. The overall rating for the new Plan leads to an abstain vote.

For: 96.90% - Oppose: 1.25% - Abstain: 1.85%

INTERNATIONAL FERRO METALS AGM Date: 2011-11-23

1 Approve the Remuneration Report

Oppose

Disclosure is a concern, as the Company has not clearly stated the maximum award limits and the performance conditions under the annual bonus and the Phantom Option scheme. In addition, there is no disclosure of quantifiable performance targets and clear vesting scales used for performance-related pay

The Phantom Options may vest immediately or in tranches during three years after grant, as opposed to after a performance period of at least three years, which significantly undermines the long-term effect of the scheme on individual performance in our view. Awards granted during the year under the short-term incentive scheme and under the Phantom Option scheme are not excessive.

There are concerns over Mr Kovarsky's retention fees of ZAR8,997,492, which devalue the retentive effect of ongoing share incentive schemes. In addition, Mr Kovarsky's received a termination payment of 100% of his salary upon termination, for which there is no rationale disclosed. Furthermore, the newly-appointed CEO will be granted, subject to shareholder approval, 4,000,000 share options and ZAR6,000,000 (171% of his base salary), based on vesting conditions, disclosed in the commentary of resolutions 5 and 6 below, which do not meet best practice. It is not clear how unvested awards will be treated in case of termination or a change in control. Rating EDD. Based on this rating, an oppose vote is recommended.

2 Re-elect Mr Terence Willstead

Oppose

Lead Independent Director. Independent by the company, independent by PIRC. There are major governance concerns at the Company: i) the Company has failed to put forward a resolution on the Report and Accounts for shareholder approval. Although Australia-incorporated companies do not regularly seeks shareholder approval at annual general meetings on reports and accounts, this is considered to be a material omission for an UK-listed Company; ii) the CEO is not required to offer himself for re-election as suggested by the UK Corporate Governance Code. The Company replied to PIRC's concerns by stating that is 'consistent with Australian corporate governance requirements'.

PIRC would like to raise these concerns over the re-election of the Lead Independent Director. Therefore, an oppose vote is recommended.

3 Re-elect Ms Tian Xia

Oppose

Non-Executive Director. Not independent by the company, not independent by PIRC as she is a representative of JISCO, a major shareholder and customer of the company. There is insufficient independent representation on the board according to PIRC guidelines.

5 Issue of Rights to Mr Christiaan Jordaan

Oppose

It is proposed that the Company issue under its Performance Rights Plan ("Plan") to newly-appointed CEO Mr Jordaan, a total of 4,000,000 rights to subscribe for fully paid ordinary shares of the Company in three tranches: a) 1,333,334 Rights vesting on 31 July 2012, subject to Mr Jordaan being employed as at 31 July 2012, with an exercise price of £0.17 and having an expiry date of 31 July 2015; 2) 1,333,333 Rights vesting on 31 July 2013, subject to Mr Jordaan being employed as at 31 July 2013, with an exercise price being the volume weighted average price of the Company's shares traded on the main market of London Stock Exchange plc over the last 30 days prior to 30 June 2012 and having an expiry date of 31 July 2016; 3) 1,333,333 Rights and vesting on 31 July 2014, subject to Mr Jordaan being employed as at 31 July 2014, with an exercise price being the volume weighted average price of the Company's shares traded on LSE over the last 30 days prior to 30 June 2013 and having an expiry date of 31 July 2017.

Based on the Black Scholes, the total value of the 4,000,000 Rights is ZAR 4,910,459.30, representing approximately 143% of his base salary. There are concerns that the grants will vest based on service only, with no performance criteria attached. Therefore an oppose vote is recommended.

6 Issue of Rights to Mr Christiaan Jordaan

Oppose

It is proposed that the Company issue under the Plan to Mr Jordaan, Rights to receive the equivalent of up to ZAR6,000,000 worth of fully paid ordinary shares, calculated on the basis of the volume weighted average sale price of the shares of the Company on the LSE on the five trading days immediately prior to the relevant performance condition being satisfied. The issue of the Rights to Mr Jordaan is subject to the following performance conditions: nameplate ferrochrome production; Total shareholder return (TSR) exceeding 20% for the 2012 financial year; and TSR exceeding 20% for the 2013 financial year. Each of the three performance criteria will account for 1/3 of the awards granted.

The use of criteria which are specific to the Company's type of business is welcomed. However, there are concerns than none of the criteria is measured against a benchmark. In addition, the Plan uses cliff-vesting, which could dilute the incentive to deliver higher level of performance above the threshold. The values of the award represents approximately 171% of Mr Joordan's base salary, which combined with the grant proposed in resolution 5 leads to concerns over the potential excessiveness of awards. based on these cocnerns, an oppose vote is recommended.

JPMORGAN SMALLER CO'S LT. PLC AGM Date: 2011-11-28

1 Receive the Annual Report

Abstain

Institutional voting and socially responsible investment policies are in place. However, there are no performance related elements to the managers' remuneration.

BRITISH SKY BROADCASTING GRP AGM Date: 2011-11-29

4 Re-election of David F. DeVoe

Oppose

Non-Executive Director. Not independent by Company, not independent by PIRC as he serves as a Director and CFO of News Corporation, the controlling shareholder. In addition, he has served on the Board for more than nine years. There is insufficient independent representation on the Board.

For: 91.89% - Oppose: 8.07% - Abstain: 0.04%

8 Re-election of Thomas Mockridge

Oppose

Non-Executive Director. Not independent by Company, not independent by PIRC as Mr Mockridge was the CE for the European Television division of News Corporation, the controlling shareholder. On 15 July 2011, he took the role of Chief Executive Officer of News International, following the resignation of Rebekah Brooks over the phone hacking scandal. There is insufficient independent representation on the Board.

For: 94.37% - Oppose: 5.59% - Abstain: 0.04%

9 Re-election of James Murdoch

Oppose

Chairman. Not independent upon appointment as he is the former chief executive of the Company, and son of Rupert Murdoch, the ultimate controlling shareholder, through News Corporation. James Murdoch currently serves as Deputy Chief Operating Officer and a Director at News Corporation. PIRC does not support the appointment of a Chairman linked to the controlling shareholder.

In addition, James Murdoch's involvement in the News Corp. phone hacking inquiry raises concerns over whether he is fit to fulfil the role of Chairman at the Company. His testimony before the Department of Culture Media and Sport Select Committee relating to his knowledge of phone hacking has been queried by former colleagues, though he has subsequently denied these allegations. The Company, in the Corporate Governance section of this year's Annual Report, states that he has a duty as Chairman to 'enhance the Company's public standing and image overall'. Mr Murdoch's involvement in the phone hacking inquiry increases the risk that the company's 'public standing and image overall' will be damaged. In our view this undermines his ability to continue to fulfil the role of Company Chairman at this time.

Furthermore, there are questions of whether Mr Murdoch's service as a full-time US-based Executive at News Corp and his involvement in the ongoing phone hacking inquiry leave sufficient time to devote to the leadership of BSKyB's Board. Mr Murdoch continues to hold two other demanding non-executive positions outside of the Group.

Based on these concerns, an oppose vote is recommended.

For: 75.41% - Oppose: 17.42% - Abstain: 7.18%

10 Re-election of Jacques Nasser **Abstain**

Non-Executive Director. Independent by Company, not independent by PIRC as he has served on the Board for more than nine years. There is insufficient independent representation on the Board. In addition, there are concerns over his attendance record as he was unable to attend a Board meeting and a Remuneration Committee meeting due to a meeting of the BHP Billiton Board, of which he is Chairman.

For: 97.04% - Oppose: 2.50% - Abstain: 0.45%

11 Re-election of Dame Gail Rebuck **Abstain**

Non-Executive Director. Independent by Company, not independent by PIRC as she has served on the Board for more than nine years. There is insufficient independent representation on the Board.

For: 98.95% - Oppose: 0.49% - Abstain: 0.56%

13 Re-election of Arthur Siskind **Oppose**

Non-Executive Director. Not independent by Company, not independent by PIRC as he is an advisor to the controlling shareholder and has been on the Board for more than nine years. There is insufficient independent representation on the Board.

For: 89.90% - Oppose: 10.06% - Abstain: 0.04%

15 Appoint the auditors and allow the board to determine their remuneration **Abstain**

Deloitte LLP proposed. Non-audit fees represent 89% of the audit fees for the year under review. On a three-year aggregate basis non-audit fees represent approximately 54% of the audit fees. PIRC has concerns that this level of non-audit fees creates a potential for conflict of interest on the part of the external auditor.

For: 99.07% - Oppose: 0.48% - Abstain: 0.45%

16 Approve the Remuneration Report **Oppose**

The remuneration policy does not go beyond 'attract, retain and motivate'. Disclosure of policy includes a statement on pay elsewhere in the Company, but there is no evidence that internal pay ratios are used in order to determine aggregate executive pay. Individual cash remuneration and pension contributions are disclosed. Disclosure of share-based awards is not adequate as there is no indication of expected values of awards. In addition, the disclosure of awards granted under the Co-Investment Plan is obscure as there is no clear breakdown between executives' reinvestments and shares granted by the Company.

The main area of concern over executive remuneration is the award of retention bonuses. Additional LTIP awards were granted to the CEO and the CFO, with the stated intention of retaining executive directors, during the potential bid from News Corp.. Even in the event that a formal bid arose, the grant of such awards is not justified, as Directors should not be rewarded due to the decision of a third party to make an offer. These awards are doubly inappropriate as News Corp. subsequently made clear that an offer would not proceed. This concern is compounded by the lack of specific performance targets under the annual bonus scheme and under two of the three criteria used for the 2011 LTI grants.

The use of a non-financial criterion for the vesting of awards under the annual bonus scheme is welcomed. However, LTIP awards vest solely based on financial criteria and none of the non-financial KPIs disclosed in the Annual review 2011 are taken into consideration. There are further concerns over the vesting criteria used for the LTIP. In light of the News Corporation's potential offer, TSR was removed as a performance target from the LTIP due to the impact share price. However, this means there is no measure that is relative to a comparator group. It is not clear how the decision to insulate executive pay from the impact of the News Corp. bid can be reconciled with the decision to pay bonuses for retention during the News Corp. bid.

There are further concerns over the potential for excessive pay arising from awards granted and over the Remuneration Committee's discretion to adjust payouts under the annual bonus Scheme upwards. However, it is noted that salaries are not excessive compared to salaries at companies with similar capitalisation.

Executive directors are employed on one-year rolling contracts. If contracts are terminated, no pro-rated bonus will be paid. Termination payments comprise salary and benefits for the notice period, while bonus payments will be pro-rated.

Rating DEB. Based on this rating, an oppose vote is recommended.

For: 76.44% - Oppose: 14.58% - Abstain: 8.98%

WOLSELEY PLC AGM Date: 2011-11-29

2 Approve the Remuneration Report **Oppose**

Disclosure is considered adequate in terms of performance conditions and maximum award limits under the short term and long term incentive arrangements. However, pay policy is brief as there are no policies on clawback or deferral of bonus awards.

The LTIS is based on TSR and whilst the upper target is considered challenging, the lower target is not. The Company had changed its comparator group for clarity during the year. Under the SOP, the upper EPS target is considered challenging based on the current brokers forecasts however the lower target is not. We note that the Company had revised the EPS targets to a higher level during the year under review. The Remuneration Committee considers all the targets set under both the plans to be sufficiently challenging. The vesting scales under both the long term plans are sufficiently broad which therefore encourages out-performance however both the scheme only have one performance measure. PIRC consider it best practice for all long term plans to have more than one performance condition, which operate concurrently. Combined awards are potentially excessive and awards made during the year confirm our concerns.

All executive directors have one year rolling contracts, which do not contain provisions for early termination payments. There is a mitigation statement. Rating: BDB

For: 96.89% - Oppose: 2.79% - Abstain: 0.32%

13 Appoint the auditors **Oppose**

PricewaterhouseCoopers LLP proposed. Non-audit fees amounted to £3,900,000 during the year under review which exceeds the audit fees for the year and on a three year aggregate basis.

For: 91.78% - Oppose: 6.25% - Abstain: 1.97%

15 Approve Political Donations **Abstain**

The Company is seeking shareholder approval to make political donations to political parties and/or independent election candidates; make political donations to political organisations other than political parties; and incur political expenditure up to an aggregate amount £125,000. Whilst the Company states that it has a policy of not giving any cash contribution to any political party, the aggregate amount requested exceeds recommended limits.

For: 95.89% - Oppose: 3.04% - Abstain: 1.06%

18* Authorise Share Repurchase **Abstain**

Authority limited up to 10% of the issued share capital and expires no later than the next AGM. Within recommended limits however, there is no written assurance provided that EPS results will be, for the purpose of any incentive awards, adjusted to take account of the effect of any buyback during the year.

For: 99.01% - Oppose: 0.23% - Abstain: 0.76%

TOWN CENTRE SECURITIES PLC AGM Date: 2011-11-30

1 Receive the Annual Report **Oppose**

The Business Review meets guidelines. An environmental policy is in place. However we have serious governance concerns over board structure as firstly, the roles of Chairman and CEO are held by one person, Mr. Edward Ziff. PIRC considers that the roles of Chairman and Chief Executive are completely different and should be separated. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal. Also, there is insufficient independent representation on the board, as only two out of six directors are independent, in our view. Secondly, Edward Ziff together with Non-Executive Director Michael A. Ziff, are substantial shareholders, as together they hold approximately 17.21% of the issued share capital of the company. Therefore, we recommend opposition.

2 Approve the Remuneration Report **Oppose**

Cash remuneration, benefits and pensions are clearly disclosed. Details on termination provisions have not been clearly defined under contracts. The intended balance between fixed and variable pay has not been disclosed. Pay elsewhere in the Company is considered in determining Executive Remuneration. The Annual Bonus is based on profit, NAV growth and dividends. Whilst the maximum award limit has been clearly disclosed, the specific targets have not been quantified. A breakdown has also not been provided between each element.

The specific targets and maximum limits under the Executive Share Option Scheme have also not been disclosed. The primary long term incentive is the Executive Share Option Scheme (ESOS) which is based on TSR as compared to the FTSE Real Estate Index. PIRC considers that all schemes should use at least two performance conditions concurrently. Whilst the maximum limit and the vesting

scale have not been disclosed, we note that no awards were made during the year under review. Aggregate awards made during the year are not considered to be excessive. However there is a potential to be so in the future mainly due to the undisclosed maximum under the ESOS. Average salaries are roughly below upper quartile. There is no shareholding requirement for the Executives.

The combined Chairman & Chief Executive Edward Ziff, has a two year rolling contract, which is not considered market practice. There is a statement on mitigation. Rating DDD.

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| 4 | Re-elect Edward Ziff
Chairman and CEO. 24 month rolling contract. | Oppose |
|----------|---|---------------|

CITY NATURAL RESOURCES HIGH YIELD TRUST PLC AGM Date: 2011-12-06

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|----------|---|----------------|
| 1 | Receive the Annual Report
Adequate SEE and institutional voting policies are in place. Dividends were paid during the year and this has not been put forward for an advisory vote. | Abstain |
| 3 | Re-elect Mr A J R Collins
Non-Executive Director. Not independent as Mr Collins has been on the board for more than nine years. We also note that he is a director of another NCIM Fund (the Investment Manager). There are sufficient independent directors on the board. However, Mr Collins had missed a board meeting during the year (out of 4). An abstain vote is therefore recommended. | Abstain |
| 4 | Re-elect Mr A D Cooke
Non-Executive Director. Not independent as Mr Cooke is employed by CQS of which the investment manager, NCIM, is a group company. Mr Cooke also missed a Board meeting during the year (out of 4). | Oppose |
| 6 | Re-elect Mr R Ö Prickett
Independent Non-Executive Director. However, Mr Prickett has missed a Board meeting during the year (out of 4). An abstain vote is therefore recommended. | Abstain |

ASSOCIATED BRITISH FOODS PLC AGM Date: 2011-12-09

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| 2 | Approve the Remuneration Report
The Annual Bonus scheme is based on financial and personal targets. Whilst it is noted that financial targets are based on adjusted operating profit and working capital, the specific targets have not been quantified. It is accepted that this may be due to reasons of commercial sensitivity, however it is consider that the Company should disclose the performance which have led to the Executives receive 50% of their salaries. In addition, there is no disclosure of targets for the share option plans. Although it is clear that these are not actively used at present, it is considered that targets and maximum awards for outstanding share awards should continue to be disclosed. The vesting targets for the long-term incentive scheme have also not been disclosed, only the absolute range of the EPS against which the performance is measured. Contractual details have not been made clear with reference to bonuses being included in compensation. | Oppose |
|----------|--|---------------|

The primary long term incentive in operation is the Share Incentive Plan (SIP) which is based on adjusted EPS only. It is considered that all schemes should use at least two performance conditions concurrently. The Company has stated that it had considered other measures, such as TSR, but found them to be unhelpful or inappropriate and occurred difficulties to find appropriate comparator companies. However, the Board did not occur analogues difficulties when increasing the CEO's base salary to bring it in line with executive pay in "similar" FTSE100 companies. The vesting scale is sufficiently broad in our view, however based on the current brokers forecasts, the absolute range of the 5% to 11% compound annual growth in adjusted EPS is not considered to be sufficiently challenging. Awards worth 197% of salary for the CEO, Mr. Weston and 202% of salary for Finance Director, Mr. Bason were granted during the year under review. Furthermore, the Company decided to reward executives for a below target performance in respect of the financial element of the annual bonus for the 2010/11 financial year. PIRC does not support any payouts for the below target performance.

Aggregate awards are considered to be excessive during the year under review and the potential exists for the same in the future especially in light of the increased maximum limit under the SIP from 125% to 150% of salary and under LTIP from 150% to 200% of salary. The Executives also received a pay increase of 4.8% for the CEO and 2.7% for the Finance Director, despite average salaries already being high for the sector. However, it is to be noted that pay elsewhere in the Company is taken into account when setting directors' pay. It is of concern that the Chief Executive provides "material" advice or services to the remuneration committee. This process should be entirely independent and as such this is not considered appropriate. Contracts are twelve months rolling. Rating: BEB

For: 95.28% - Oppose: 3.24% - Abstain: 1.48%

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| 11 | Appoint the auditors and allow the board to determine their remuneration
KPMGAudit Plc proposed. Non-audit fees of £2.6m represents 50% of the audit fees during the | Abstain |
|-----------|--|----------------|

year under review and 55% on a three year aggregate basis. This raises concerns over the independence of the auditors.

For: 99.06% - Oppose: 0.40% - Abstain: 0.54%

HENDERSON FLEDGLING TRUST PLC AGM Date: 2011-12-12

1 Receive the Annual Report**Abstain**

The company indicates that social, environmental and ethical factors are taken into account in making investment decisions. An institutional voting policy is in place. However, there is no performance related element to the management fee structure and no adequate justification, including explanation of why the managers pay structure is suitable in context of the trusts investment objectives. Based on these concerns an abstain vote is recommended.

For: 96.90% - Abstain: 2.93% - Discretionary to Chair: 0.17%

7 Re-elect John Hancox**Abstain**

Senior Independent Director. Not independent by Company. not independent by PIRC due to his tenure on the board. In addition, John Hancox is a director of Lowland Investment Company plc, another investment trust managed by Henderson. It is also noted, Mr Hancox missed an audit committee meeting and a board meeting during the year under review but no justification for his absence was given. Based on these concerns an abstain vote is recommended.

For: 96.36% - Oppose: 0.33% - Abstain: 3.14% - Discretionary to Chair: 0.17%

SPIRIT PUB COMPANY PLC AGM Date: 2011-12-16

4 Approve the Remuneration Report**Oppose**

Cash payments and share awards, along with pension payments and entitlements have been clearly disclosed. Expected values of share previously awarded have not been estimated by the company. The company did not clearly describe the link between its remuneration structure and its objectives. The intended balance of the fixed versus the variable portion of the total package is another area where the company should have elaborated. One third of the bonus is to be deferred into shares, subject to clawback provisions, which is welcomed. The performance targets have been disclosed only for the company's long term incentive. The criteria for the annual bonus remain vague and were described as "Group Financial Performance" and "Personal targets". The past targets have also not been discussed, showing how the present bonus awards were calculated. The bonus has an underlying profit performance underpin, which we welcome, however this threshold has not been disclosed.

The company operates a short term incentive plan (Annual Bonus) and a Long Term one (2011 LTIP). It also has some legacy plans from Punch Taverns in which no future awards are to be made. The potential aggregate awards under the bonus and the LTIP are considered excessive, as are the awards for the year under review. Based on brokers' forecast and the maximum levels regarding the LTIPs, the EPS targets chosen for the company are considered challenging, however the TSR targets are not. It is also noted that, although the company reported a net loss, it rewarded the previous CEO a full bonus of one year's salary and has stated that it would award a grant of shares to the new CEO, representing 200% of his annual salary. The rationale behind such practice is elusive and has not been commented on by the company in its Remuneration report.

Contracts are on a 12 month rolling basis. There are no provisions for termination payments on a change of control and a statement of mitigation has been made. Remuneration rating of CDB. Based on this rating an oppose vote is recommended.

For: 96.41% - Oppose: 3.37% - Abstain: 0.19% - Discretionary to Chair: 0.03%

5 Approve Political Donations**Abstain**

The company is seeking authority for political donations not exceeding £150,000. The company has stated that it does not intend to make such donations within the normal meaning set out in the authority, the amount sought after exceeds market practice for a smallcap company. Therefore it is recommended to abstain.

For: 97.80% - Oppose: 0.03% - Abstain: 2.13% - Discretionary to Chair: 0.03%

14* Authorise share repurchase**Abstain**

Authority limited up to 10% of the issued share capital and expires no later than the next AGM. However, there is no written assurance provided that EPS results will be, for the purpose of any incentive awards, adjusted to take account of the effect of any buyback during the year. Therefore, an abstain vote is recommended.

For: 99.65% - Oppose: 0.01% - Abstain: 0.30% - Discretionary to Chair: 0.03%

PUNCH TAVERNS AGM Date: 2011-12-16

2 Appoint the auditors**Oppose**

KPMGAudit plc proposed. Non-audit fees of approximately GBP 1,600,000 are 800% of the total audit fee for the year under review and almost 267% of the total audit fee on a three-year aggregate

basis. These fees are related to the demerger of the Spirit Pub Company business, however the company has provided insufficient disclosure of the nature of the fees i.e. if they were for compliance or advisory purposes. Therefore an oppose vote is recommended as it is considered that this level of non-audit fees raises independence concerns over the external auditors.

4 Approve the Remuneration Report

Oppose

The company clearly sets out the principles of its remuneration policy but it is difficult to discern a clear link between remuneration structures and corporate objectives with reference to the use of KPIs. The annual bonus is based on financial and personal targets. These have not been quantified.

The LTIP is the primary long term incentive which uses TSR as the performance condition with two peer groups. It is considered that long-term schemes ought to apply both absolute and relative performance targets. The performance targets attached are not considered sufficiently challenging in light of maximum awards being granted during the year under review. Potential aggregate awards also can be excessive and so they were during the year under review. However, it is to be noted that no awards vested for the last four years. Furthermore, Non-Executive Director Ian Dyson received an award of 200% of base salary as part of his joining agreement. It is considered that granting awards to directors as part of their joining agreement, with no performance condition attached, is not in the company or investors' long-term interests as it contributes to a general tendency to grant such replacement awards, which in turn devalues the retentive effect of share schemes. In addition, the company fails to explain how this practice would benefit shareholders in long term.

CEO salary was increased by 4.9% and Finance Director by 10%. Furthermore, all executive directors are required to build up a shareholding in the company equal to at least 100%, which is to be commended however, the time frame of five years within the appointment date is considered to long. Executive directors are employed on one year rolling contracts and contractual termination payments are limited to 12 months salary. Rating: BDB

5 Approve Political Donations

Abstain

The board seeks authority to make donations to political parties and/or independent electoral candidates; political organisations other than political parties; and to incur political expenditure up to GBP 50,000 in each case. The stated purpose of the authority is not to make political donations within the normal meaning of the expression. Rather the objective is to be able to authorise contributions to organisations that might be caught by the broad wording of the legislation, such as policy review, law reform or business representative bodies, and, as such, would need to be authorised in advance by shareholders. The company has not made any political donations during the year and the authority will expire no later than the next AGM. The aggregate amount of GBP 150,000 exceeds recommended limits and therefore an abstain vote is recommended.

10 Re-Election of Ian Dyson

Oppose

Non-Executive Director. Not independent by PIRC as he is the former CEO of the Company (resigned in August 2011). There is insufficient independent representation on the board according to PIRC guidelines.

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PIRC Summary Report Appendix

AIM UK Market

CAMBIUM GLOBAL TIMBERLAND AGM Date: 2011-10-12

- | | |
|---|----------------|
| 1 Receive the Annual Report | Oppose |
| CP Cogent Asset Management LP is the Investment Manager. During the year under review, £884,247 was paid in respect of management fees. However, the terms of the Investment Management Agreement have not been disclosed. We therefore recommend an oppose vote. | |
| 4 To re-elect Mr Colin McGrady | Oppose |
| Non Executive Director. Not independent as Mr McGrady is a director of CP Cogent Asset Management LP, which acts as Investment Manager. | |
| 8 Approve the dividend | Abstain |
| The directors are recommending a final dividend of 3 pence per share. Not covered by earnings and the company has not provided an explanation of the sustainability of its dividend distribution policy. | |

ARGOS RESOURCES LTD AGM Date: 2011-10-13

- | | |
|--|---------------|
| 1 Receive the Annual Report | Oppose |
| The Executive Chairman founded the Company in 1995 and is a substantial shareholder with 10.3% holding. Also, he owns 46.46% interest in the issued share capital of Argos Georgia Ltd, another substantial shareholder with 12.1% holding in the Company. This combined with the fact that there are no independent Non-Executives on the board raises concerns over board composition. In addition, the Remuneration Report has not been put forward for shareholder approval, which is a material omission. | |
| 2 To re-elect Christopher Fleming | Oppose |
| Non-Executive Director. Not independent as he holds share options. In addition, there are insufficient independent directors on the board. | |
| 3 To re-elect James Ragg | Oppose |
| Non-Executive Director. Not independent as he holds share options. In addition, there are insufficient independent directors on the board. | |
| 4 Appoint the auditors and allow the board to determine their remuneration | Oppose |
| BDO LLP proposed. Non-audit fees amounted to USD 107,000 which exceeded the audit fees for the year and on a three year aggregate basis. This raises concerns over the auditor's independence. | |

HARGREAVES SERVICE AGM Date: 2011-11-07

- | | |
|---|----------------|
| 1 Receive the Annual Report | Oppose |
| There are some serious governance concerns at the company, including: the level of independence on the board, as there is only one independent Non-Executive Director on the Board; there is no Nomination Committee; and furthermore, Nigel Barraclough, a serving Non-Executive Director has been hired by the company to become a senior executive within the Group with effect from 3 October. In view of these governance concerns, an oppose vote is recommended. | |
| 2 Approve the Governance and Remuneration Report | Oppose |
| The Company operates an Annual Bonus scheme with a potential maximum limit of 100% of salary. The bonuses are dependent on unquantified operating profit targets. Awards were made to the Executives in the range between 62% to 75% of salary during the year under review. | |
| The Company operates the Long Term Incentive Plan (LTIP) as its primary incentive scheme. There are concerns that: the company does not disclose performance criteria and maximum award limits under this scheme; that there is also no information provided on the provision of termination payments. It is not possible to fully assess the appropriateness of the Company's remuneration arrangement and in view of these concerns and the serious governance concerns raised in resolution number one, an oppose vote is recommended. | |
| 9 Issue shares with pre-emption rights | Abstain |
| General authority limited to one third of the issued share capital, and two thirds of the issued share capital if in connection with a pre-emptive rights issue. The requested authority follows the recent published guidance of the Rights Issue Review Group in connection with the ABI. We do not consider that there is sufficient independent supervision on the Board to monitor the use of the authority, and therefore recommend abstaining on this proposal. | |
| 10 Issue shares for cash | Oppose |
| Authority sought represents 10% of the issued share capital and expires at the next Annual Meeting. There is a concern that the authority exceeds the recommended limit of 5% and is therefore potentially dilutive of current shareholders' interests. An oppose vote is recommended. | |

CERAMIC FUEL CELLS LTD AGM Date: 2011-11-23

- | | |
|---|---------------|
| 4 Re-elect Mr John Dempsey | Oppose |
| Non-executive director. Not independent as he has served on the board for more than nine years. | |

There is sufficient independent representation on the board. Mr Dempsey is the chairman of the audit committee. There is no vote to appoint the auditors. In addition there is also no resolution to put forward a vote on the annual report and accounts.

5 Approve the Remuneration Report

Oppose

In accordance with section 250R of the Australian Corporations Act, the directors are seeking approval of the remuneration report. The Act does not require directors at an Australian company to act on approval of the resolution and the vote is advisory.

Executives' remuneration consists of a base salary, short-term incentive and long-term incentive remuneration. Short term incentive remuneration is a cash bonus that is based on KPIs, and company performance indicators, made up of technology achievements, product development, manufacturing scale up, market and industry development goals, business development and sales revenue goals. In the case of the managing director on the board, Mr Dow, the annual bonus is paid as equity in lieu of cash. There is no disclosure of quantifiable goals under the short term incentive bonus. Long-term incentive remuneration consists of shares that are attached to the same performance criteria as short-term incentives. This essentially rewards directors twice for the same performance. Again, there are no quantifiable goals disclosed. There is individual disclosure of executives' remuneration packages. The company issues options with a holding period of less than three years which is contrary to best practice. There is no disclosure of severance arrangements between management and the company.

Due to a lack of disclosure of quantifiable performance criteria and severance arrangements, and due to insufficient holding requirements opposition is recommended. Rating: DDD

7 Approval of the issue of shares to the Managing Director

Oppose

The board proposes to issue 1.1m shares under the equity plan of Mr Dow, managing director on the board. The managing director's remuneration package comprises an annual incentive of options or shares (in lieu of a cash bonus) depending on personal and Company performance against non quantifiable performance indicators. Half of the shares will be subject to a voluntary escrow agreement under which those shares may not be transferred or sold until 20 June 2012, which is the date that Mr Dow's employment contract currently ends. If Mr Dow ceases his employment during this escrow period the remaining shares in escrow are forfeited, except in cases of retirement, redundancy, sickness or invalidity, the sale or transfer of a business of CFCL to another entity or CFCL being liquidated, placed in receivership or de-registered.

Although share based payments are generally supported, there is a lack of disclosure of performance criteria, and holding periods attached are insufficient. Opposition is recommended. Rating: DD

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