

# REVIEW OF THE 2017 UK AGM SEASON

Summary of the proxy season,  
along with corporate governance  
developments

CERTAINTY

INGENUITY

ADVANTAGE

Georgeson

## Your speakers...



**Daniele Vitale**

*Corporate Governance Manager, Corporate Advisory*  
Georgeson



**Cas Sydorowitz**

*Chief Executive Officer, Corporate Advisory*  
Georgeson

# Introduction to Georgeson

Local knowledge and presence with global reach and infrastructure

Founded in 1935 and  
acquired by  
Computershare in

**2001**

**15**

Global offices in all  
major financial  
jurisdictions

**15**

Full time employees in  
London, with law,  
investment banking and  
corporate governance  
backgrounds

Georgeson Northern  
European team has

**120** years of  
experience  
combined

**70** listed

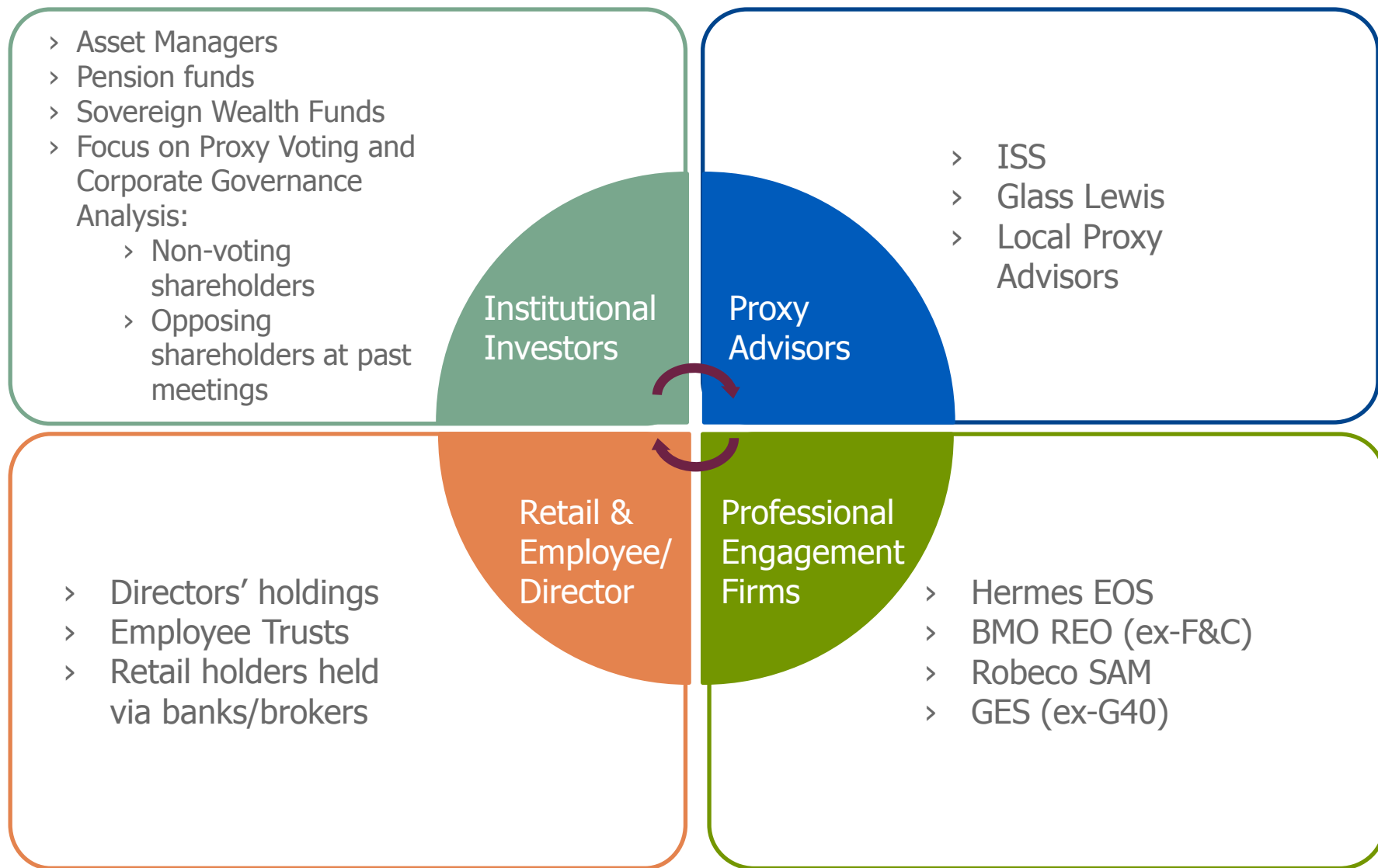
clients in the UK, the  
Netherlands, France,  
Germany, Switzerland  
and more

We advise on

**140+**

transactions a year -  
Annual General Meetings,  
M&A and Shareholder  
Activism campaigns

# Engaging with the four key stakeholders



# The passive investor and their increasing clout



**Glenn Booraem**

Investment Stewardship Officer  
Vanguard

*"We're riding in a car we can't get out of... governance is the seat belt and air bag."\**

# Active Ownership vs. Shareholder Activism



## Active Ownership

- › Proxy voting and the exercise of other formal shareholder rights
- › Engagement activities (interactions held by institutional investors with investee companies)

### Objective

Exercising stewardship over the assets in an investor's portfolio



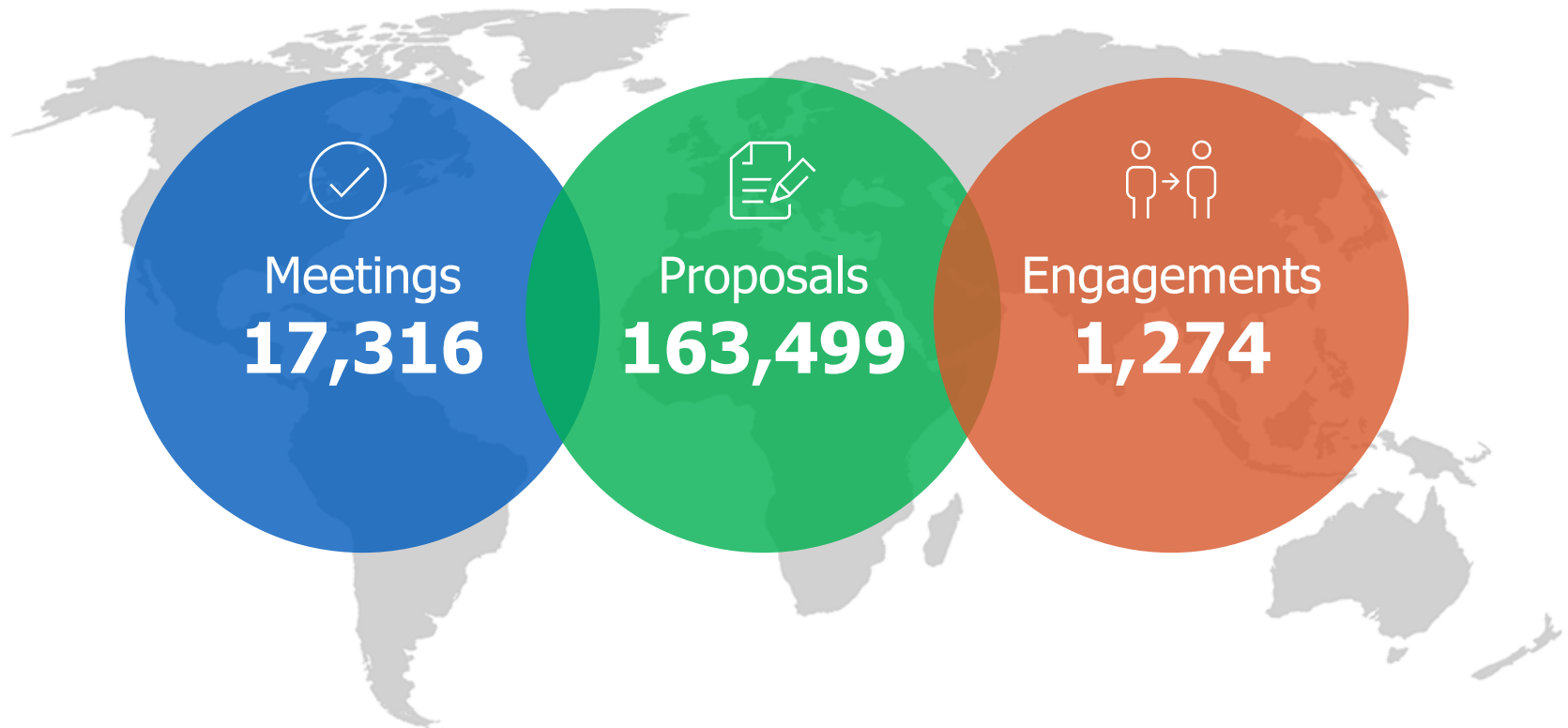
## Shareholder Activism

- › Submitting a shareholder resolution
- › Calling an Extraordinary General Meeting
- › Campaigning to encourage other shareholders to vote a certain way
- › Formal complaints to a regulator
- › Lawsuits

### Objective

Leveraging change to unlock economic upside for shareholders

# BLACKROCK®





## Institutional Investors – How Corporate Governance teams work

# BLACKROCK®

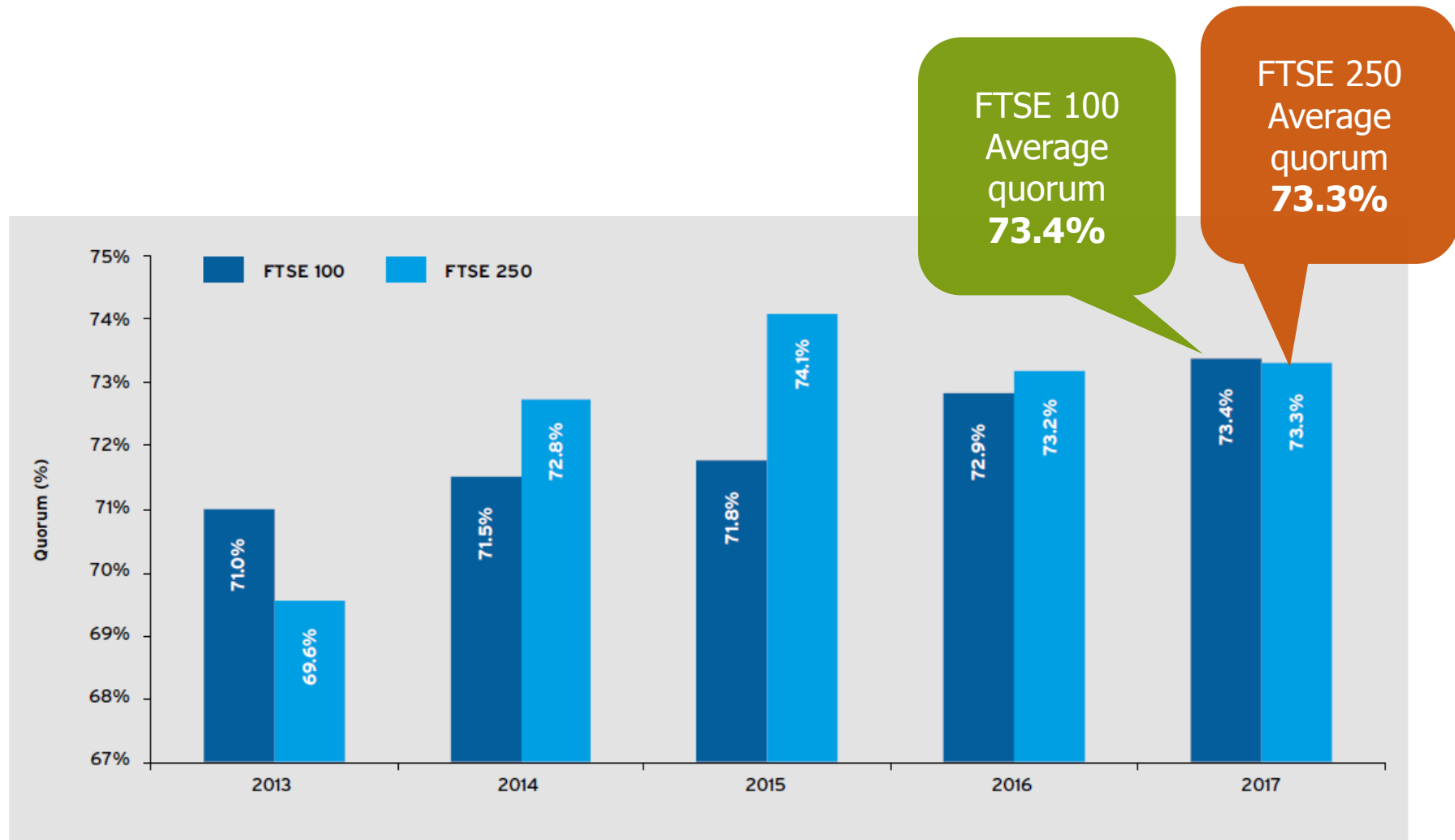
### UK Statistics:

Number of meetings voted	Number of proposals	% of meetings voted against one or more management recommendations	% of proposals voted against management recommendation
411	6,049	22%	4%

	Level of Engagement			Topics Discussed		
Number of engagements	Basic	Moderate	Extensive	Environmental	Social	Governance
50	34	14	2	5	5	50

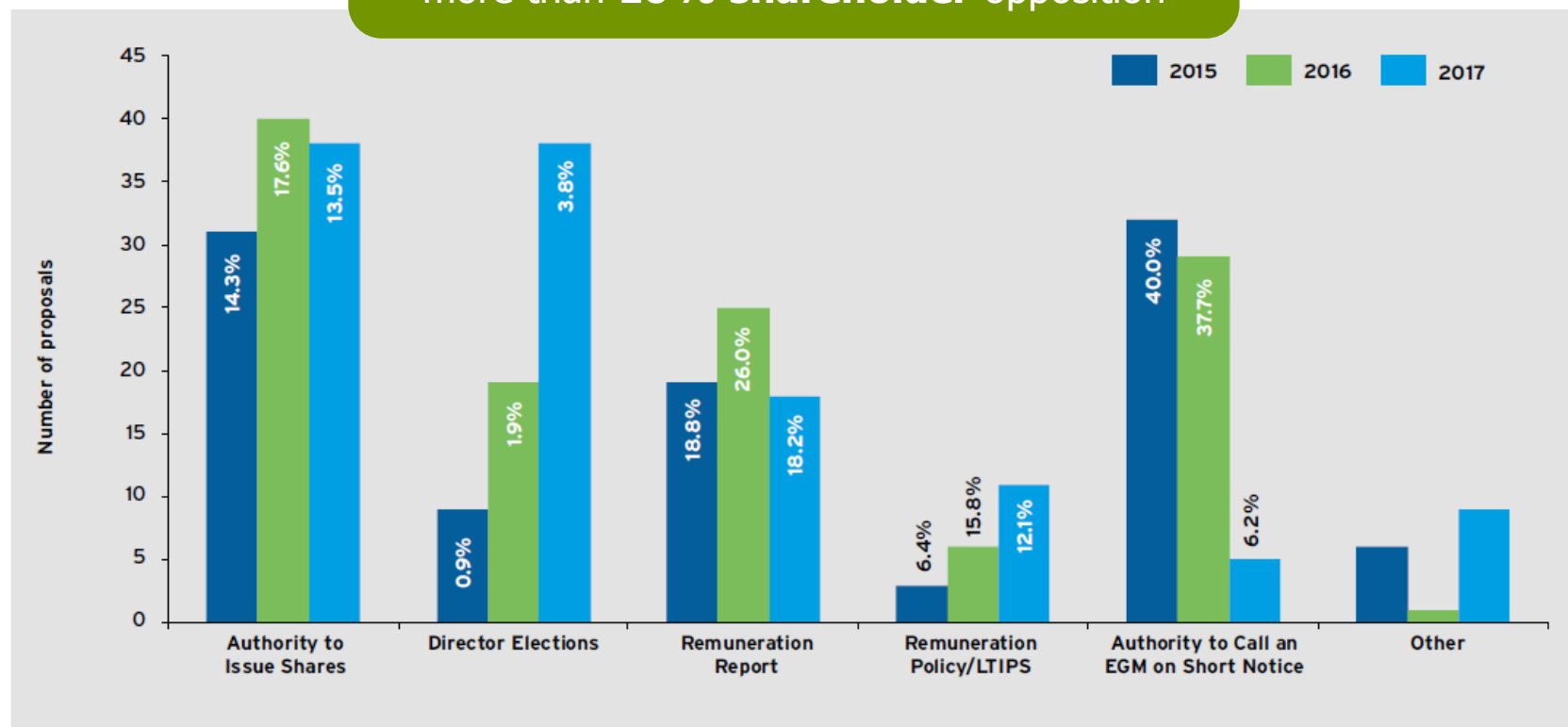


# Average quorum of the FTSE 350 from 2013 to 2017



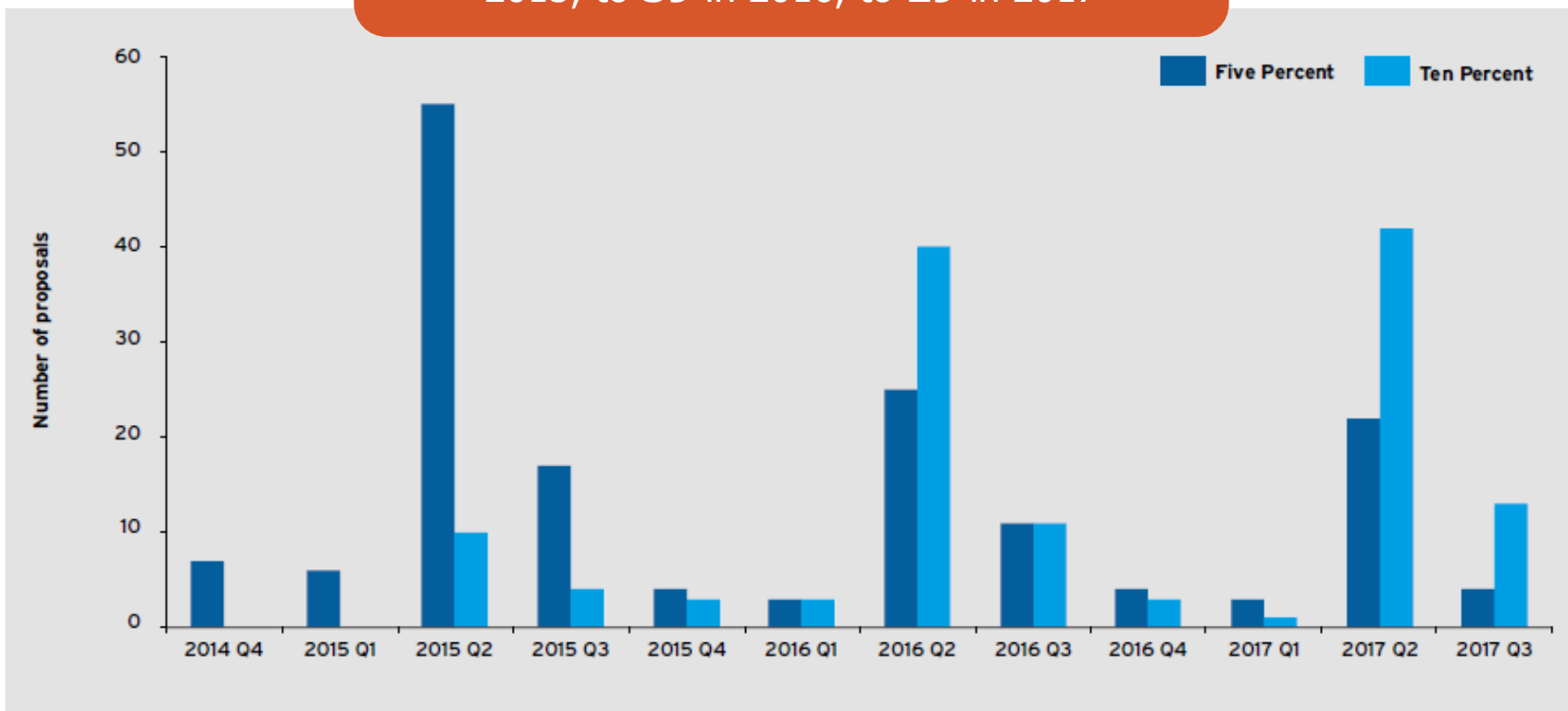
# Contested resolutions in the FTSE 100

**54 companies** saw at least one management-proposed resolution receive more than **10% shareholder** opposition



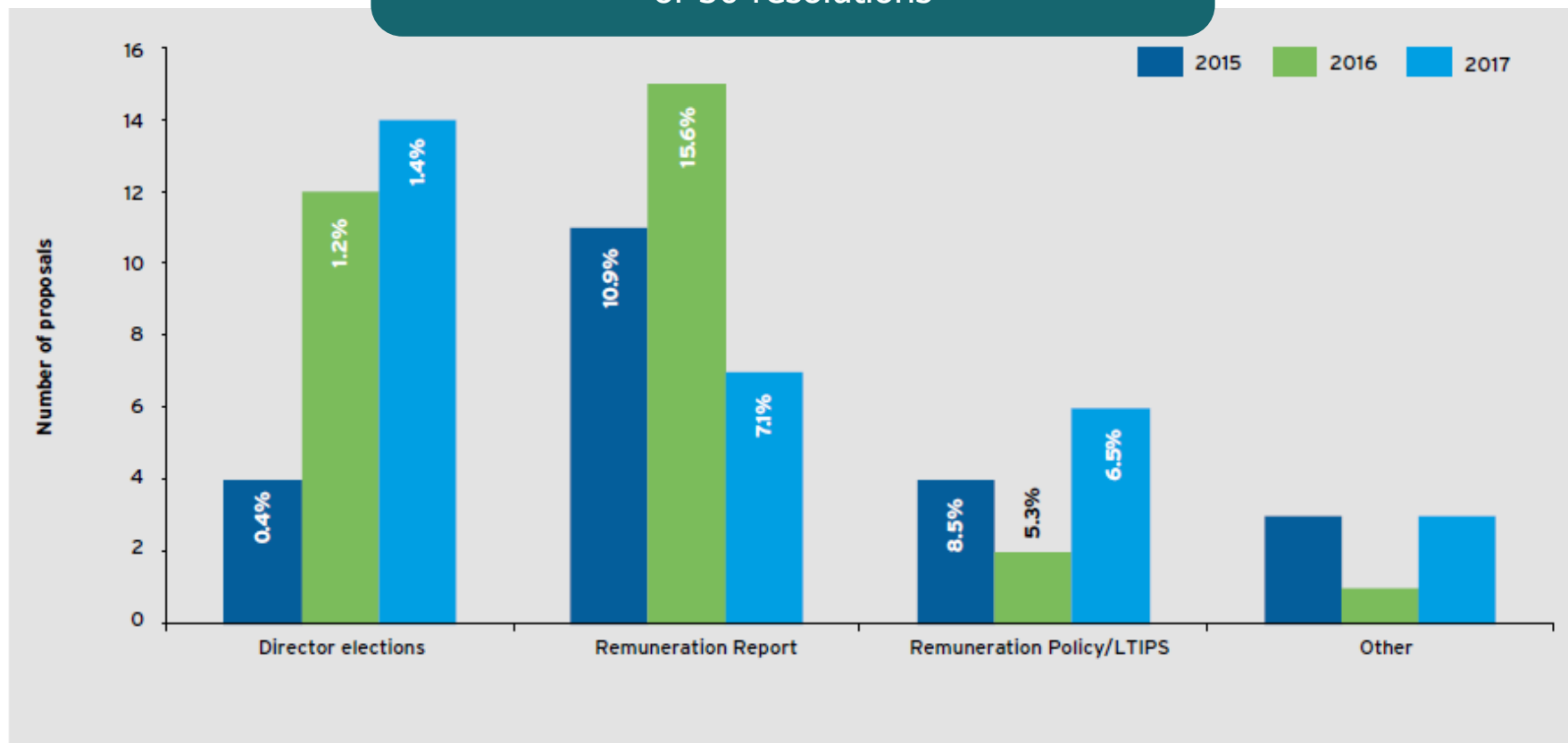
# Share Issuance without pre-emptive rights

The number of FTSE 100 companies seeking only a 5% authority has decreased from **78** in 2015, to **39** in 2016, to **29** in 2017



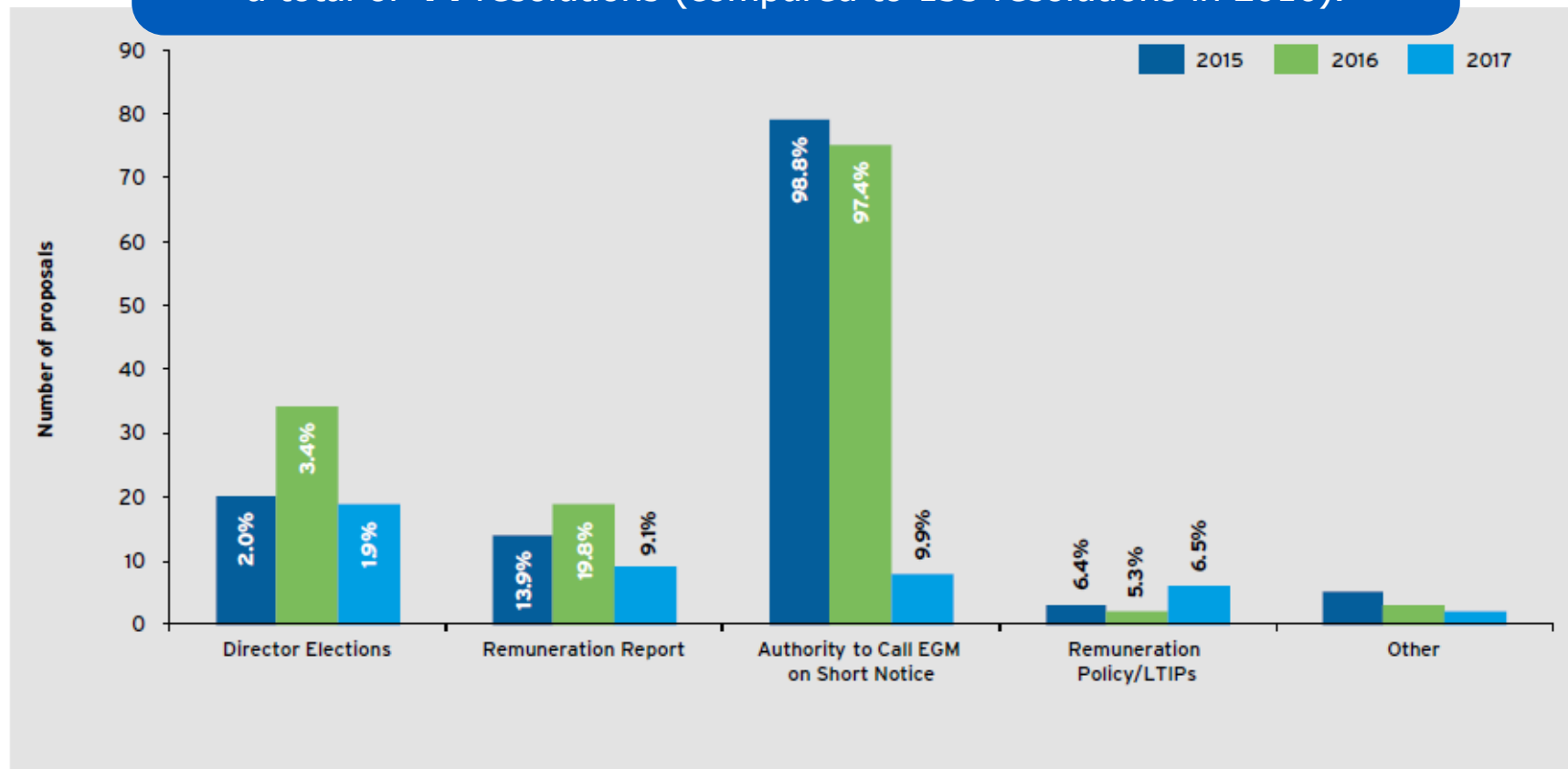
# ISS Vote Recommendations

**20** companies received at least one against or abstain recommendation from ISS for a total of 30 resolutions

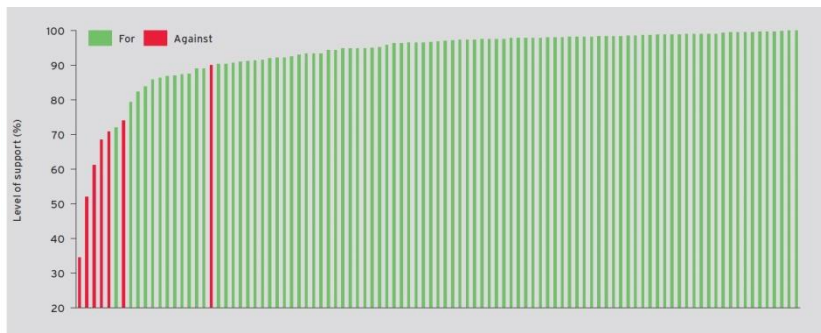


# Glass Lewis Vote Recommendations

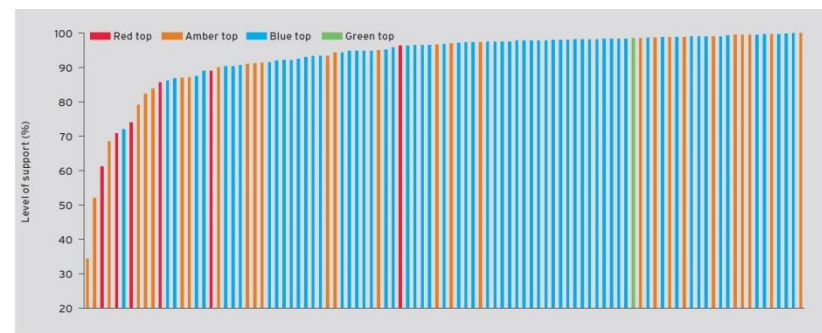
**29** companies out of the FTSE 100 received at least one against or abstain recommendation from Glass Lewis (compared to 81 in 2016), for a total of **44** resolutions (compared to 133 resolutions in 2016).



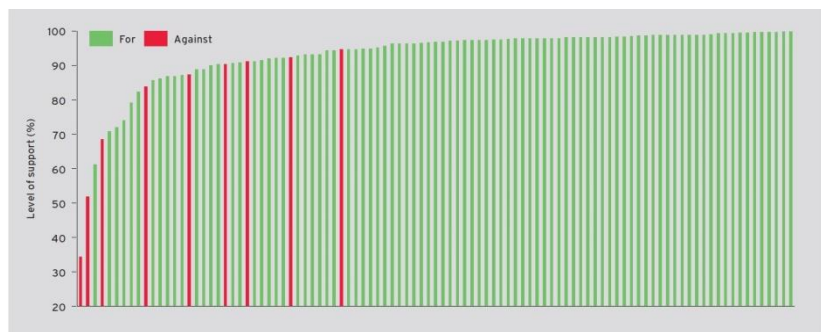
# Proxy advisor vote recommendation on the Remuneration Reports of the FTSE 100



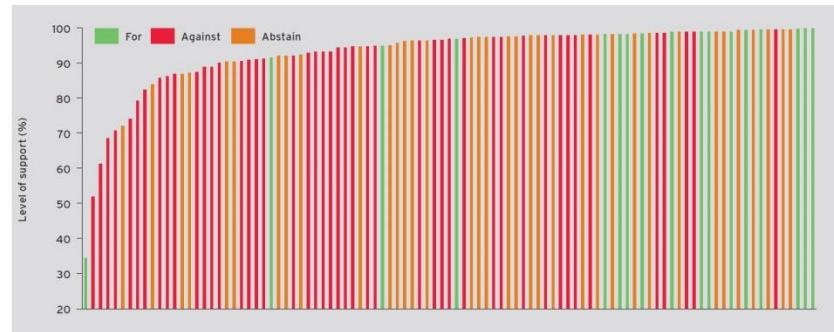
ISS



IVIS



Glass Lewis



PIRC

# Executive Remuneration Working Group

Final report recommendations  
published in July 2016

**Executive  
Remuneration  
Working  
Group**



## **Main recommendation**

Give remuneration committees the flexibility to select the right remuneration structure for the company rather than taking a 'one size fits all' approach



## **A notable alternative**

Ability to issue restricted shares with no performance conditions and are awarded at a discount to current LTIP awards



# Diversity

Hampton-Alexander Review / Parker reviews – November 2016

## Hampton-Alexander Review



**Aim:** Ensuring talented women at the top of businesses are recognised, promoted and rewarded.

**Recommendation:** FTSE 100 should have 33% of leadership roles occupied by women by 2020

## Parker Review



**Aim:** To highlight ethnic minority representation in boardrooms across FTSE100 is disproportionately low

**Recommendation:** FTSE100 should have at least one director from ethnic minority background by 2021, FTSE250 by 2024

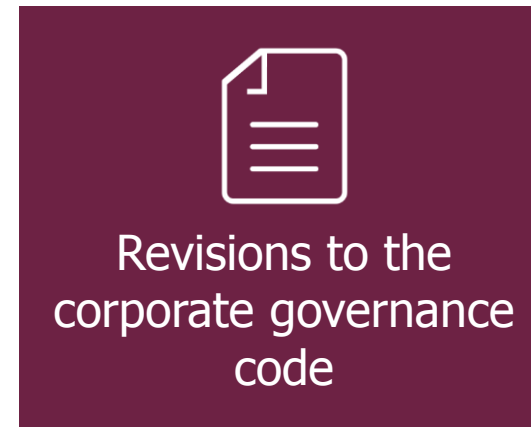
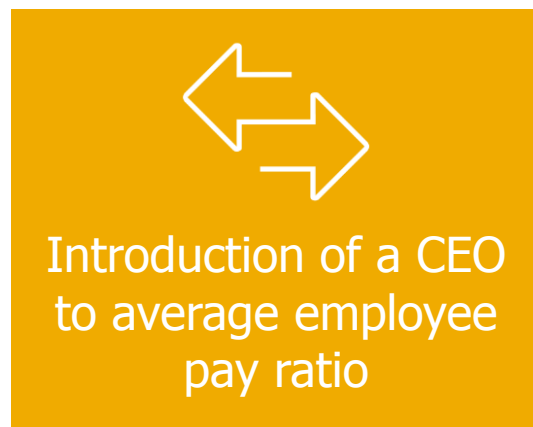
# UK Governance Reforms

Aim: increase boardroom accountability and enhance trust in business

## > Three key issues



## > Key reforms



## Learn more...

- › Please download the Georgeson 2017 AGM season review

[www.georgeson.com/2017ProxyReview](http://www.georgeson.com/2017ProxyReview)



# Questions





# THANK YOU

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