

**Agenda Item No 4(b)**

**DERBYSHIRE COUNTY COUNCIL  
PENSIONS and INVESTMENTS COMMITTEE**

**7 March 2018**

**Report of the Director of Finance & ICT**

**VOTING ACTIVITY**

**1 Purpose of the Report**

To review the Fund's voting activity for the period 23 November 2017 to 22 February 2018.

**2 Information and Analysis**

Details of the Fund's voting activity for the period 23 November 2017 to 22 February 2018 are shown in Appendix 1. Votes against management proposals are shown in Appendix 2. The resolutions in respect of Compass Group Plc (No 6: Re-elect Richard Cousins as Director) and Victrex Plc (No 7: Re-elect Andrew Dougal as Director) were subsequently withdrawn by the companies. In all other cases, a "for" vote was carried.

**3 Other Considerations**

In preparing this report the relevance of the following factors has been considered: financial, legal and human rights, human resources, equality and diversity, health, environmental, transport, property, social value and prevention of crime and disorder considerations.

**4 Officer's Recommendation**

That the report be noted.

PETER HANDFORD

Director of Finance & ICT

Company	Meeting Date	Meeting Type
JPMorgan Emerging Markets Investment Trust plc	24-Nov-17	Annual
Ferguson PLC	28-Nov-17	Annual
Target Healthcare REIT Limited	29-Nov-17	Annual
Assura Plc	04-Dec-17	Special
Aberdeen Frontier Markets Investment Company Ltd	06-Dec-17	Annual
Associated British Foods plc	08-Dec-17	Annual
BlackRock Frontiers Investment Trust plc	11-Dec-17	Special
Edinburgh Dragon Trust plc	12-Dec-17	Annual
Bellway plc	13-Dec-17	Annual
JPMorgan Japanese Investment Trust plc	14-Dec-17	Annual
CC Japan Income & Growth Trust plc	19-Dec-17	Special
Worldpay Group plc	08-Jan-18	Court
Worldpay Group plc	08-Jan-18	Special
Marston's PLC	23-Jan-18	Annual
Standard Life Private Equity Trust Plc	25-Jan-18	Annual
Britvic Plc	31-Jan-18	Annual
BlackRock Frontiers Investment Trust plc	07-Feb-18	Annual
Imperial Brands PLC	07-Feb-18	Annual
Compass Group PLC	08-Feb-18	Annual
Shaftesbury PLC	09-Feb-18	Annual
Victrex plc	09-Feb-18	Annual
Target Healthcare REIT Limited	21-Feb-18	Special

**Votes Against Management Report**

Reporting Period: 11/23/2017 to 02/22/2018

**Associated British Foods plc**

Meeting Date: 12/08/2017

Country: United Kingdom

Meeting Type: Annual

Voting Policy: ISS

Proposal Number	Proposal Text	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
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7	Re-elect Javier Ferran as Director	For	Against	Against	Against
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*Voting Policy Rationale: Items 4-6, 8-10 and 12A vote FOR these candidates is warranted as no significant concerns have been identified. Item 7A vote AGAINST the re-election of Javier Ferrán is warranted: Javier Ferrán is no longer considered independent due to his tenure exceeding nine years, concurrently with the Executive Director. He serves on the Remuneration Committee, which ought to be reserved for independent NEDs. It is also highlighted that Javier Ferrán is the Senior Independent Director, a role which should be held by a NED who is unquestionably independent under all relevant criteria. Item 11An ABSTENTION on the re-election of Charles Sinclair is warranted: As highlighted in previous years, Board Chairman Charles Sinclair is also the Chairman of the Remuneration Committee, which is not in line with the Code's provisions. An ABSTENTION rather than a vote against is warranted because: Charles Sinclair was considered independent upon appointment, and this issue alone does not warrant a vote against the Board Chairman. A vote FOR this non-binding resolution is warranted for those shareholders in markets which have a fiduciary responsibility to vote either for or against and who do not recognise abstentions as a valid option.*

11	Re-elect Charles Sinclair as Director	For	Abstain	Abstain	Abstain
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*Voting Policy Rationale: Items 4-6, 8-10 and 12A vote FOR these candidates is warranted as no significant concerns have been identified. Item 7A vote AGAINST the re-election of Javier Ferrán is warranted: Javier Ferrán is no longer considered independent due to his tenure exceeding nine years, concurrently with the Executive Director. He serves on the Remuneration Committee, which ought to be reserved for independent NEDs. It is also highlighted that Javier Ferrán is the Senior Independent Director, a role which should be held by a NED who is unquestionably independent under all relevant criteria. Item 11An ABSTENTION on the re-election of Charles Sinclair is warranted: As highlighted in previous years, Board Chairman Charles Sinclair is also the Chairman of the Remuneration Committee, which is not in line with the Code's provisions. An ABSTENTION rather than a vote against is warranted because: Charles Sinclair was considered independent upon appointment, and this issue alone does not warrant a vote against the Board Chairman. A vote FOR this non-binding resolution is warranted for those shareholders in markets which have a fiduciary responsibility to vote either for or against and who do not recognise abstentions as a valid option.*

**Compass Group PLC**

Meeting Date: 02/08/2018

Country: United Kingdom

Meeting Type: Annual

Voting Policy: ISS

Proposal Number	Proposal Text	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
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6	Re-elect Richard Cousins as Director (Withdrawn Resolution)	For	Abstain	Abstain	Against
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## Votes Against Management Report

Reporting Period: 11/23/2017 to 02/22/2018

### Compass Group PLC

Proposal Number	Proposal Text	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
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*Voting Policy Rationale: Items 5; 7 to 13: Re-elect DirectorsA vote FOR these directors is considered warranted as no significant concerns identified.Item 6: Re-elect Richard CousinsAn ABSTAIN on this item is considered warranted on account of:\* The Company has announced that this resolution has been withdrawn.Item 14: Re-elect Ireena VittalAn ABSTAIN on her re-election is considered warranted on account of:\* She has significant external time commitments in addition to her role at Compass Group plc.An Abstention recognises that there is a commitment with a clear timeline for when she is expected to step down from some of her other roles.A vote FOR this resolution is warranted for those shareholders who have a fiduciary responsibility to vote either for or against, or who do not recognise abstention as a valid option.Item 15: Re-elect Paul WalshA vote FOR his re-election is considered warranted but is not without concern for shareholders on account of:\* He has significant external time commitments in addition to his role at Compass Group plc.The main reasons for support are:\* His two other external roles are at relatively smaller companies; and\* Since the previous AGM, he has stepped down from an external mandate which was in a highly regulated sector.*

14	Re-elect Ireena Vittal as Director	For	Abstain	Abstain	Against
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*Voting Policy Rationale: Items 5; 7 to 13: Re-elect DirectorsA vote FOR these directors is considered warranted as no significant concerns identified.Item 6: Re-elect Richard CousinsAn ABSTAIN on this item is considered warranted on account of:\* The Company has announced that this resolution has been withdrawn.Item 14: Re-elect Ireena VittalAn ABSTAIN on her re-election is considered warranted on account of:\* She has significant external time commitments in addition to her role at Compass Group plc.An Abstention recognises that there is a commitment with a clear timeline for when she is expected to step down from some of her other roles.A vote FOR this resolution is warranted for those shareholders who have a fiduciary responsibility to vote either for or against, or who do not recognise abstention as a valid option.Item 15: Re-elect Paul WalshA vote FOR his re-election is considered warranted but is not without concern for shareholders on account of:\* He has significant external time commitments in addition to his role at Compass Group plc.The main reasons for support are:\* His two other external roles are at relatively smaller companies; and\* Since the previous AGM, he has stepped down from an external mandate which was in a highly regulated sector.*

### Victrex plc

Meeting Date: 02/09/2018

Country: United Kingdom

Meeting Type: Annual

Voting Policy: ISS

Proposal Number	Proposal Text	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
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7	Re-elect Andrew Dougal as Director	For	Abstain	Abstain	Against
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*Voting Policy Rationale: Items 5-6, 8-14A vote FOR these Directors is warranted as no significant concerns have been identified.Item 7An abstention on the re-election of Andrew Dougal is considered warranted on account of:\* Ongoing regulatory investigation by UK regulators as a former Director of Carillion plc.A vote AGAINST this resolution is warranted for those shareholders in markets which have a fiduciary responsibility to vote either for or against and who do not recognise abstentions as a valid option.*