

Review of voting record at TMI - July 2018 to July 2019

It was a busy year of voting for the 12 months ending July 2019. We cast a total of 6,509 votes for, against and abstentions at company meetings.

The majority of our votes were in line with the management recommendation which accounted for 98.3% or 6,398 votes, the majority of these were for regular AGM board resolutions. During the period, it was noticeable that there was an increase in the number of shareholder proposals at meetings. While these continued to be primarily focused on corporate governance, there was also an increase in the number of proposals surrounding environmental and social concerns as ESG investing (Environmental, Social, Governance) has become more popular, especially among institutional investors.

Votes against comprised of 4.82% of the total we cast. Many of these votes were against shareholder proposals where there was little merit and likely to be a distraction for company management.

We voted for the merger between Primary Health Properties (PHP) and fellow healthcare property group MedicX which saw shareholders of the latter receive shares in PHP, the merger having since delivered operating synergies of £4 million per annum.

At the Disney AGM we voted for (and against the management recommendation) a shareholder proposal requesting an annual report disclosing information regarding the lobbying policies of the Company in the interests of transparency and corporate governance.

At the AT&T AGM, there was a shareholder proposal for an independent Board Chairman. Chief Executive Officer, Randall Stephenson, has also been Chairman of the Board since 2007 and we believe it to be in the best interests of shareholders for the Chairman to be independent of company operations. Similarly, at the Chevron and Exxon AGMs, we voted for a shareholder proposal for an independent Chairman of the Board.

At the Barclays AGM, shareholder advocacy groups suggested voting against the directors' remuneration package, as there were concerns that the response by the bank's Remuneration Committee had been inadequate following the investigation into CEO Jes Staley which resulted in him being fined £642,000 by the FCA for pursuing a whistle-blower. We voted against this proposal (and against the recommendation of the management).

At the EGM for HICL Infrastructure, we voted against the special resolution which extended the termination period of the manager from 12 to 36 months. We viewed this as a negative for shareholders and that, following a previous acquisition in the infrastructure sector, the addition of such a proposal could create a hurdle for any potential acquirers of the company.

Shareholder advocacy groups also raised concerns over the Royal Bank of Scotland CEO's pension payments, noting that his annual pension payments were worth 35% of his salary while other staff pension payments were capped at 10%. We voted for a shareholder proposal (and against managements recommendation) to direct the Board to establish a shareholder committee.