



<u>Committee and date</u> Pensions Committee	<u>Item / Paper</u>
9 September 2009	
10am	12
	Public

CORPORATE GOVERNANCE MONITORING

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Summary

The report is to inform members of Corporate Governance and socially responsible investment issues arising in quarter 1st April 2009 to 30th June 2009.

Decisions Required

Members are asked to note the report, PIRC Quarterly Report at Appendix A and F&C Responsible Engagement Overlay Report at Appendix B.

REPORT

Voting Activity

1. Since the last Pensions Committee, PIRC have voted at 92 UK and 135 US Annual and Extraordinary General Meetings. Details of voting during the quarter have been received and reviewed by officers. Voting has been conducted in line with the PIRC guidelines on every occasion this quarter.
2. Attached to this report (Appendix A) is PIRC's Proxy Voting Review which outlines the main corporate governance issues over the quarter. The report highlights the meetings where the largest 'oppose' votes were registered and explains why shareholders were unhappy about particular resolutions.
3. Should members wish to see details of specific company meeting resolutions or voting outcomes, they can be obtained from the officer noted above.

Responsible Engagement Activity

4. During the last quarter F&C have continued to actively engage with companies on the Fund's behalf. An update on the engagement activities for the quarter is attached at Appendix B in the REO report.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

N/A

Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998

Environmental Appraisal

The Fund's Corporate Governance Policy enables it to influence the environmental policies of the companies in which it invests.

Risk Management Appraisal

The Pension Fund's structured decision-making process ensures that investment decisions are taken by those best qualified to take them.

Community / Consultations Appraisal

N/A

Cabinet Member

N/A

Local Member

N/A

Appendices

- A. PIRC Proxy Voting Review April to June 2009.
- B. F&C Responsible Engagement Overlay Report.