



Shropshire County Council Pension Authority

Proxy Voting Review
April 2012 – June 2012

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Pensions & Investment Research Consultants Ltd
9 Prescott Street
London E1 8AZ
Tel: 020 7247 2323 Fax: 020 7247 2457
www.pirc.co.uk

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UK Voting Review

Smith & Nephew plc - AGM 12th April

Remuneration and board independence were issues at Smith & Nephew.

Disclosure on the whole was considered adequate. All the LTIP targets were considered challenging except the EPSA lower limit. The EPSA and TSR were used in a concurrent fashion which was welcomed. Total maximum potential rewards under all incentive schemes were considered excessive. The amounts involved in FY 2011 were considered so as well. It was noted that Mr Bohuon received grants (RSA + PSP) worth 320% of his salary during FY 2011.

Additionally, it was unclear how a Golden Hello of about EUR 1.4 million benefits shareholders. It was also stated in the Annual Report on page 68, that the financial performance of the company collectively fell short of targets, with regards to bonus payments. Taking into account that personal objectives account for only 25% of bonus awards and being the only area where executives reportedly outperformed, it was unclear how the cash bonus levels reached nearly 100% of salary (pro-rata salary for Mr Bohuon) when financial targets were not met.

Further, the stock option scheme utilises the same performance criteria (TSR) as the PSP and it was not clear why the Remuneration Committee put in place a strategy which rewards executives twice over the same performance. All executive directors had contracts with 12 months notice. On termination of the contract, the remuneration committee had the discretion to pay executive directors a sum equivalent to the salary and benefits including a proportion of the bonus that would have been received had they worked their 12 months notice. On change of control, executive directors would have been entitled to 12 months salary and benefits plus 12 months bonus at target. PIRC considered the inclusion of unearned bonuses as a breach of best practice.

We recommended shareholders oppose the remuneration report.

We also recommended that shareholders oppose the election of three directors. Non-executives Dr Pamela Kirby, Brian Larcombe and senior independent director Richard De Schutter were not considered independent as they have all been on the board for more than nine years. There was insufficient independent representation on the board in our view.

Therefore we recommended that shareholders oppose the election of all three.

BP plc - AGM 12th April

Remuneration and dividend policy were issues at BP.

The company's Business Review met ASB RS guidelines in our view. Adequate environmental and employment policies were in place as well as quantified reporting. Since the Deepwater Horizon accident several changes had been implemented including the creation of an enhanced Safety and Operational Risk function, reporting directly to the group chief executive. The annual report went to great lengths to disclose continued progress and changes to procedures especially in relation to health and safety. The annual report provided an adequate discussion of issues pertaining to the ongoing litigation following the oil spill.

The company ceased paying interim dividends in FY 2010 following on from the accident in the Gulf of Mexico. Dividends resumed since end of FY 2010. It was noted that this change in dividend policy was not put forward for shareholder approval last year. Also, the company paid dividends during the year under review and had again not been put forward for shareholder approval. In our view, votes on the proposed dividends were a fundamental right of shareholder oversight, and we therefore recommended shareholders to oppose the report and accounts.

Turning to remuneration, all elements of directors' cash and share based remuneration were clearly

disclosed. The company had provided a table summarising their achievement in each of the safety areas leading to bonus payments. However, no quantitative measures were provided. This made it difficult to assess whether the previously set targets were challenging, especially considering that the executives outperformed in a lot of areas.

The EDIP was the main incentive vehicle for executive directors. It contained portions which were linked to non-financial metrics, mainly of safety measures. It was not clear whether the EDIP employed the same safety measures as the Annual Bonus. Further, since safety performance targets were not disclosed, it was not possible to assess whether they were challenging. It was noted, though, that the TSR portion was considered challenging. The Remuneration structure had the potential to pay excessive variable remuneration and we noted that during the year under review, this was the case. As an example, the CEO received 550% of salary as performance shares. Moreover, he received an annual bonus worth 150% of his base salary. This was difficult to justify when the targets used to test performance were not disclosed, and considering that FY 2011 was not a particularly easy year for the company.

All executives were retained on one year rolling contracts with compensation with liquidated damages provisions of up to one year's salary. Mitigation statement was provided. There were no provisions for compensation payable on early termination.

As a result of the lack of verifiable performance metrics we recommended shareholders oppose the remuneration report.

3i Group Plc - AGM 29th June

An activist shareholder challenged 3i Group, and filed two resolutions.

Laxey Partners Limited proposed that the investment policy of the Company and its subsidiaries be changed such that until such time as the ordinary shares of the Company cease to trade at a discount to their underlying net asset value (NAV): (a) other than pursuant to existing commitments or as may be necessary to protect or enhance the value of any existing investments, no new investments shall be made by the Group; (b) the Group's existing portfolio of investments shall be realised in a timely and orderly manner; and (c) the net cash proceeds generated from the realisation of the Group's existing portfolio of investments shall be returned to shareholders in the most efficient manner possible.

Laxey Partners stated, rather than seeking the dissolution of 3i, that it was seeking the sale of current assets in order to narrow the discount between the NAV of 3i's portfolio and its share price. This was sought in conjunction with a speeding up of the return of cash to shareholders and restriction on any new investments until 3i's share price improves. 3i Group's share price had declined by two-thirds since 2007. The Group recorded a loss of GBP783 million for the year under review, having achieved a profit of GBP186 million for the previous year. 3i recorded a 22% fall in full-year NAV and a 20% loss in total return to shareholders. The diluted NAV per share at 31 March 2012 was £2.79 (2011: £3.51), which the Company claimed was driven by the negative total return of £656 million (2011: £324 million) and dividend payments of £49 million made during the year.

In response, the board stated that the changes to the Group's investment policy would "effectively amount to a liquidation of your Company" and pointed to the short-termism of Laxey Partner's motivations. The board identified the disappointing performance of the private equity assets overall as a major contributor to 3i's shares trading at a substantial discount to published net asset value (NAV) per share. However, "3i's investment capabilities, the potential downside risk in the current macro-economic environment to investments in the Private Equity business (particularly in respect of the more highly leveraged investments made during the financial years 2007 to 2009), the level of the operating cost base and the cost of maintaining high levels of liquidity" were also cited as influential factors. The board set out its intention with regard to addressing the concerns raised by Laxey. There were also commitments to: provide further disclosure regarding the private equity portfolio, including additional financial information for major investments, such that shareholders can follow more clearly the progress that was being made; the introduction of further cost-cutting measures, targets for which were to be set out by the CEO by July; and, implementation of a revised and significantly enhanced dividend policy.

Whilst acknowledging the merit of concerns raised by the requisitionists, it was considered that they had not demonstrated a compelling case for how this proposal was in the interests of all shareholders, beyond that which was made by the board. We recommended that shareholders abstain on the two resolutions filed.

Tesco Plc - AGM 29th June

Remuneration was an issue at Tesco.

Disclosure was good and had been improved significantly within this year's report. Specific annual bonus targets had not been quantified on either a prospective or retrospective basis. Despite this, the Company did disclose information that gave shareholders some idea of outcomes that led to the level of bonuses that were paid during the year. Expected value calculations for share-based incentive awards were not disclosed.

The performance share plan (PSP), the Company's primary incentive vehicle, applied earnings per share (EPS) and return on capital employed (ROCE) in concurrent fashion, which was commendable. However, there was no relative performance condition applied. As in previous years, the inclusion of mature property sales when calculating the Company's financial performance, particularly for the purpose of incentive awards, was questionable. The extent to which underlying EPS grew over recent years could have been considered to go some way towards explaining why EPS continued to feature as the primary performance criterion for incentive awards.

Salaries were at the top end of the sector. The face value of variable awards granted during the year, having been significantly reduced from the previous year, did not raise concerns. However, combined remuneration, including historic awards that vested and were exercised during the year, exceeded 300% of executives' salaries. There was also potential for combined remuneration to be wholly excessive going forward, due to both the size of maximum awards available and the number of incentive schemes in which awards remained outstanding.

Contracts did not meet best practice given that the directors' termination provisions included annual bonus payments. However, this practice has since been discontinued, which was reflected in the new service contract for Philip Clarke upon his recent appointment as CEO. For these reasons, PIRC had recommended shareholders oppose the remuneration report.

UK Voting Analysis

Table 1: Top Oppose Votes

	Company	Type	Date	Resolution	Proposal	Funds Vote	Oppose %
1	3i GROUP PLC	AGM	29 Jun 12	21	Shareholder resolution: Approve amendment to the investment policy of the Company and its subsidiaries (the "Group") such that until such time as the ordinary shares of the Company cease to trade at a discount to their underlying net asset value.	Abstain	92.58
2	3i GROUP PLC	AGM	29 Jun 12	22	Shareholder Resolution: Conditional upon passing resolution 21, the company will bring forward proposals for approval by shareholders	Abstain	92.56
3	AVIVAPLC	AGM	03 May 12	2	Approve the Remuneration Report	Oppose	49.44
4	JARDINE LLOYD THOMPSON GROUP	AGM	26 Apr 12	16	Approve Rule 9 Waiver	For	41.85
5	PREMIER FARNELL PLC	AGM	12 Jun 12	2	Approve the Remuneration Report	For	31.99
6	BARCLAYS PLC	AGM	27 Apr 12	2	Approve the Remuneration Report	Oppose	25.22
7	BERENDSEN PLC	AGM	26 Apr 12	11	Issue shares with pre-emption rights	For	25.00
8	BERENDSEN PLC	AGM	26 Apr 12	12	Issue shares for cash	For	24.26
9	ANGLO AMERICAN PLC	AGM	19 Apr 12	17	Issue shares with pre-emption rights	For	23.10
10	JARDINE LLOYD THOMPSON GROUP	AGM	26 Apr 12	8	To re-elect Mr S L Keswick	Oppose	22.38

Note: Levels of opposition percentage represent opposition votes cast as a percentage of all votes cast either in favour or against a resolution.

Table 2: Votes by Resolution

Resolution Type	For	%	Abstain	%	Oppose	%	Withdrawn	%	Total
All Employee Schemes	8	100	0	0	0	0	0	0	8
Annual Reports	27	35	8	10	41	53	0	0	76
Articles of Association	7	87	0	0	1	12	0	0	8
Auditors	48	67	14	19	9	12	0	0	71
Corporate Actions	2	100	0	0	0	0	0	0	2
Corporate Donations	16	76	4	19	1	4	0	0	21
Debt & Loans	0	0	0	0	0	0	0	0	0
Directors	325	83	33	8	30	7	0	0	388
Dividend	27	100	0	0	0	0	0	0	27
Executive Pay Schemes	4	66	1	16	1	16	0	0	6
Miscellaneous	32	100	0	0	0	0	0	0	32
NED Fees	0	0	0	0	0	0	0	0	0

Non Voting	0	0	0	0	0	0	0	0	0
Say On Pay	0	0	0	0	1	100	0	0	1
Share Capital Restructuring	0	0	0	0	1	100	0	0	1
Share Issue/Re-purchase	101	86	12	10	4	3	0	0	117
Shareholder Resolution	1	100	0	0	0	0	0	0	1
Undefined	7	77	2	22	0	0	0	0	9

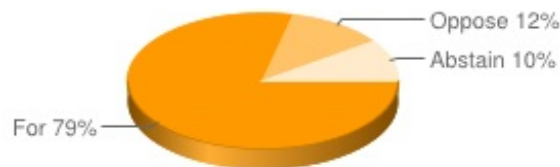
UK Voting Charts

These graphs include meetings where the client held a voting entitlement exercisable by PIRC according to portfolio details communicated to PIRC prior to execution of the vote.

Total Resolutions	
For	605
Oppose	89
Abstain	74
Withdrawn	0
Total	768

Meetings	AGM	EGM	Total
Total Meetings	38	0	38
1 (or more) oppose or abstain vote	38	0	38

UK Voting Record



UK AGM Record



UK EGM Record

There were no EGMs during the last period in the client's portfolio.

UK Voting Timetable Q2 2012

List of meetings held throughout the period in the fund's portfolio.

Voted Meetings

Table 3: Meetings voted in the quarter

	Company	Meeting Date	Type	Date Voted
1	CARNIVAL CORP/PLC (GBR)	11 Apr 12	AGM	2012-03-26
2	SMITH & NEPHEW PLC	12 Apr 12	AGM	2012-04-02
3	BP PLC	12 Apr 12	AGM	2012-04-02
4	STHREE PLC	19 Apr 12	AGM	2012-04-10
5	ANGLO AMERICAN PLC	19 Apr 12	AGM	2012-04-10
6	ASTRAZENECAPLC	26 Apr 12	AGM	2012-04-05
7	JARDINE LLOYD THOMPSON GROUP	26 Apr 12	AGM	2012-04-13
8	BERENDSEN PLC	26 Apr 12	AGM	2012-04-16
9	PEARSON PLC	27 Apr 12	AGM	2012-04-17
10	BARCLAYS PLC	27 Apr 12	AGM	2012-04-12
11	RENTOKIL INITIAL PLC	01 May 12	AGM	2012-04-20
12	BAE SYSTEMS PLC	02 May 12	AGM	2012-04-24
13	LANCASHIRE HOLDINGS LTD	03 May 12	AGM	2012-04-25
14	ARM HOLDINGS PLC	03 May 12	AGM	2012-04-24
15	AMVAPLC	03 May 12	AGM	2012-04-24
16	GLAXOSMITHKLINE PLC	03 May 12	AGM	2012-04-24
17	UNILEVER PLC	09 May 12	AGM	2012-05-01
18	ITV PLC	09 May 12	AGM	2012-05-01
19	CENTRICAPLC	11 May 12	AGM	2012-05-01
20	SERCO GROUP PLC	14 May 12	AGM	2012-05-03
21	BG GROUP PLC	16 May 12	AGM	2012-05-04
22	MARSHALLS	16 May 12	AGM	2012-05-09
23	AMLIN PLC	17 May 12	AGM	2012-05-09
24	LMS CAPITAL PLC	17 May 12	AGM	2012-05-09
25	LLOYDS BANKING GROUP PLC	17 May 12	AGM	2012-05-08
26	ROYAL DUTCH SHELL PLC	22 May 12	AGM	2012-05-08
27	CSR PLC	23 May 12	AGM	2012-05-10
28	HSBC HLDGS PLC	25 May 12	AGM	2012-05-14
29	STANDARD LIFE PLC	25 May 12	AGM	2012-05-14
30	ROYAL BANK OF SCOTLAND GROUP	30 May 12	AGM	2012-05-17
31	MEARS GROUP PLC	06 Jun 12	AGM	2012-05-24
32	PREMIER FARNELL PLC	12 Jun 12	AGM	2012-05-28
33	MORRISON (WM) SUPERMARKETS	14 Jun 12	AGM	2012-06-06
34	KINGFISHER PLC	14 Jun 12	AGM	2012-06-06
35	INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA	20 Jun 12	AGM	2012-06-14
36	3i GROUP PLC	29 Jun 12	AGM	2012-06-19
37	TESCO PLC	29 Jun 12	AGM	2012-06-19

Not Voted Meetings

Table 4: Meetings not voted in quarter

	Company	Meeting Date	Type	Reason Not Voted
1	WHITBREAD PLC	19 Jun 12	AGM	No shares

UK Upcoming Meetings Q3 2012

List of meetings scheduled to be held throughout the period by UK companies currently in the fund's portfolio.

Table 5: Upcoming Meetings

	Company	Meeting Date	Type
1	THE BIOTECH GROWTH TRUST PLC	12 Jul 12	AGM
2	PERPETUAL INCOME & GROWTH I.T. PLC	12 Jul 12	AGM
3	AVEVAGROUP PLC	12 Jul 12	AGM
4	BURBERRY GROUP PLC	12 Jul 12	AGM
5	RENOLD PLC	12 Jul 12	AGM
6	INVENSYS PLC	13 Jul 12	AGM
7	BRITISH LAND CO PLC	13 Jul 12	AGM
8	ELECTROCOMPONENTS PLC	13 Jul 12	AGM
9	CAPITAL GEARING TRUST PLC	13 Jul 12	AGM
10	VALUE AND INCOME TRUST PLC	13 Jul 12	AGM
11	DAIRY CREST GROUP PLC	17 Jul 12	AGM
12	BTG PLC	17 Jul 12	AGM
13	SEPURAPLC	17 Jul 12	AGM
14	WORLDWIDE HEALTHCARE TRUST PLC	17 Jul 12	AGM
15	EXPERIAN PLC	18 Jul 12	AGM
16	TELECOM PLUS PLC	18 Jul 12	AGM
17	SPEEDY HIRE PLC	18 Jul 12	AGM
18	RPC GROUP PLC	18 Jul 12	AGM
19	BOOKER GROUP PLC	18 Jul 12	AGM
20	METRIC PROPERTY INV PLC	18 Jul 12	AGM
21	SEVERN TRENT PLC	18 Jul 12	AGM
22	JPMORGAN EUROPEAN SMALLER COMPANIES TRUST PLC	18 Jul 12	AGM
23	FULLER, SMITH & TURNER PLC	18 Jul 12	AGM
24	LAND SECURITIES GROUP PLC	19 Jul 12	AGM
25	MOTHERCARE PLC	19 Jul 12	AGM
26	KCOM GROUP PLC	19 Jul 12	AGM
27	SHANKS GROUP PLC	19 Jul 12	AGM
28	MCKAY SECURITIES PLC	19 Jul 12	AGM
29	JPMORGAN EUROPEAN I.T. PLC	19 Jul 12	AGM
30	SHIRES INCOME PLC	19 Jul 12	AGM
31	TEMPLETON EMERGING MARKETS I.T. PLC	20 Jul 12	AGM
32	EDINBURGH INVESTMENT TRUST PLC	20 Jul 12	AGM
33	CABLE & WIRELESS COMMUNICATIONS PLC	20 Jul 12	AGM
34	HOMESERVE PLC	20 Jul 12	AGM
35	BLOOMSBURY PUBLISHING PLC	23 Jul 12	AGM
36	JPMORGAN JAPAN SMALLER COMPANIES TRUST PLC	23 Jul 12	AGM
37	HELICAL BAR PLC	24 Jul 12	AGM
38	TR PROPERTY INVESTMENT TRUST PLC	24 Jul 12	AGM
39	HALMAPLC	24 Jul 12	AGM
40	FIDELITY CHINA SPECIAL SITUATION PLC	24 Jul 12	AGM
41	CALEDONIA INVESTMENTS PLC	25 Jul 12	AGM

42	FIRSTGROUP PLC	25 Jul 12	AGM
43	HICL Infrastructure Company Limited	25 Jul 12	AGM
44	JOHNSON MATTHEY PLC	25 Jul 12	AGM
45	E2V TECHNOLOGIES PLC	25 Jul 12	AGM
46	HOGG ROBINSON GROUP PLC	25 Jul 12	AGM
47	SSE PLC	26 Jul 12	AGM
48	PHOENIX IT GROUP PLC	26 Jul 12	AGM
49	DE LARUE PLC	26 Jul 12	AGM
50	QINETIQ GROUP	26 Jul 12	AGM
51	FINDEL PLC	26 Jul 12	AGM
52	SABMiller PLC	26 Jul 12	AGM
53	VOLEX PLC	26 Jul 12	AGM
54	PENNON GROUP PLC	26 Jul 12	AGM
55	F&C GLOBAL SMALLER COMPANIES PLC	26 Jul 12	AGM
56	PERSONAL ASSETS TRUST PLC	26 Jul 12	AGM
57	NORCROS PLC	26 Jul 12	AGM
58	RIT CAPITAL PARTNERS PLC	26 Jul 12	AGM
59	TOROTRAK PLC	26 Jul 12	AGM
60	SYNERGY HEALTH PLC	26 Jul 12	AGM
61	WORKSPACE GROUP PLC	26 Jul 12	AGM
62	TATE & LYLE PLC	26 Jul 12	AGM
63	WINCANTON PLC	26 Jul 12	AGM
64	PAYPOINT PLC	27 Jul 12	AGM
65	UNITED UTILITIES GROUP PLC	27 Jul 12	AGM
66	TALKTALK TELECOM GROUP PLC	27 Jul 12	AGM
67	MONTANARO UK SMALLER COMPANIES I.T. PLC	27 Jul 12	AGM
68	NATIONAL GRID PLC	30 Jul 12	AGM
69	HALFORDS GROUP PLC	31 Jul 12	AGM
70	SCHRODER UK GROWTH FUND PLC	31 Jul 12	AGM
71	HANSTRUST PLC	31 Jul 12	AGM
72	ATKINS (WS) PLC	01 Aug 12	AGM
73	ABERDEEN NEW DAWN I.T. PLC	01 Aug 12	AGM
74	UMECO PLC	01 Aug 12	AGM
75	IMAGINATION TECHNOLOGIES GROUP PLC	01 Aug 12	AGM
76	INVESCO ASIATRUST PLC	01 Aug 12	AGM
77	CRANSWICK PLC	01 Aug 12	AGM
78	INVESCO INCOME GROWTH TRUST PLC	01 Aug 12	AGM
79	HYDER CONSULTING PLC	02 Aug 12	AGM
80	INVESTEC PLC	02 Aug 12	AGM
81	MONKS INVESTMENT TRUST PLC	07 Aug 12	AGM
82	GOLDMAN SACHS DYNAMIC OPPORTUNITIES PLC	21 Aug 12	AGM
83	DEVELOPMENT SECURITIES PLC	28 Aug 12	AGM
84	VEDANTARESOURCES	28 Aug 12	AGM
85	BERKELEY GROUP HLDGS PLC	01 Sep 12	AGM
86	HENDERSON SMALLER COMPANIES I.T. PLC	01 Sep 12	AGM
87	DIXONS RETAIL PLC	01 Sep 12	AGM
88	NCC GROUP PLC	01 Sep 12	AGM
89	PZ CUSSONS PLC	01 Sep 12	AGM
90	ABSOLUTE RETURN TRUST	01 Sep 12	AGM

91	MICRO FOCUS INTL PLC	01 Sep 12	AGM
92	NEW INDIAINVESTMENT TR PLC	01 Sep 12	AGM
93	SPORTS DIRECT INTERNATIONAL PLC	01 Sep 12	AGM
94	OXFORD INSTRUMENTS PLC	01 Sep 12	AGM
95	ANITE PLC	01 Sep 12	AGM
96	NORTHGATE PLC	01 Sep 12	AGM
97	ECOFIN WATER & POWER	01 Sep 12	AGM
98	KESAELECTRICALS PLC	01 Sep 12	AGM
99	BETFAIR GROUP PLC	01 Sep 12	AGM
100	CONSORT MEDICAL PLC	01 Sep 12	AGM
101	DAEJAN HOLDINGS PLC	01 Sep 12	AGM
102	VP PLC	01 Sep 12	AGM
103	ARTEMIS ALPHA TRUST PLC	01 Sep 12	AGM
104	CARPETRIGHT PLC	01 Sep 12	AGM
105	THAMES RIVER MULTI HEDGE PCC	01 Sep 12	AGM
106	SUPERGROUP PLC	01 Sep 12	AGM
107	ESSAR ENERGY PLC	03 Sep 12	AGM
108	POLAR CAPITAL TECHNOLOGY TRUST PLC	04 Sep 12	AGM
109	CARCLO PLC	06 Sep 12	AGM
110	VECTURAGROUP PLC	18 Sep 12	AGM
111	CABLE & WIRELESS WORLDWIDE PLC	19 Sep 12	AGM

US Corporate Governance Review

SEC whistleblower cases

230 cases were eligible for awards under the US Securities and Exchange Commission's (SEC) whistleblower program.

The latest results were revealed at its annual "SEC Speaks" conference on trends and priorities at the Commission. Since the hotline opened the department has returned more than 2,000 calls to potential leads. Sean McKessy, chief of the new Office of the Whistleblower, announced the statistics. The office, which serves as "liaison" between the whistleblower community and the enforcement staff, has received some criticism about its decision to allow whistleblowers to report wrongdoing to the SEC without having to report it internally beforehand. The "significant majority" of whistleblowers do in fact report internally before contacting the SEC, said McKenny in response, adding that he was "hard pressed" to think of an example where this did not occur.

Goldmans board pick irks AFSCME

The Federation of State, County & Municipal Employees (AFSCME) announced its disappointment over the decision of Goldman Sachs' independent directors to appoint James Schiro as independent lead director.

AFSCME had filed a proposal requesting that the firm separate the roles of chair and CEO but withdrew it after the bank agreed to appoint an independent lead director. Appointing a lead director should result in more accountability to shareholders. However, as former CEO of Goldman's auditor PwC and a member of the bank's board since 2009, Schiro is not considered independent by AFSCME. Indeed, he was on a list of unacceptable candidates the union had submitted to Goldman, reported CNNMoney. "It would be hard for him to be an independent advocate for shareholders," said AFSCME's Lisa Lindsley.

US resolutions go green, says E&Y

A publication by Ernst & Young warned companies that "a confluence of factors are working to sharpen the attention on the "triple bottom line" of environmental, social and economic performance."

In the white paper, *Leading corporate sustainability issues in the 2012 proxy season: Is your board prepared?*, the consulting firm said that investor concerns in the form of shareholder proposals on environmental and social issues will dominate other major proposal categories for the third consecutive year, with voting support for these proposals receiving even greater support. Increased shareholder activity will place more pressure on companies to engage with stakeholders on these matters, said Ernst & Young. As the investor demand for accountability and disclosure grows, Ernst & Young has advised companies to take advantage of these opportunities to discuss such topics with stakeholders as it enables the board to better understand their perspectives on key issues and the possibility of strengthening relations. The group noted the emergence of the following five key themes for the 2012 proxy season: corporate political and lobbying activity; energy extraction practices; sustainability reporting and GHG emissions reduction efforts; corporate diversity policies; and operational safety and accident risk reduction.

CF Industries' board challenged

Shareholders at US fertilizer manufacturer and distributor CF Industries had once again put forward a proposal urging the board to declassify.

Proponents for the measure, including The Los Angeles County Employees Retirement Associate and The Office of the Comptroller of the City of New York, asked that the board recognise the significance of shareholder interest in the proposal – last year 83.4% of investors backed the proposal. Classified boards are considered contrary to best practice as they can serve to entrench underperforming management. Bizarrely, the CF Industries board claimed staggered elections provide “accountability to stockholders” and “protection against undue influence of minority holders.” This despite the fact a majority of its own shareholders supported the call for reform last year!

US firms disclose lobbying efforts

A dozen US corporate heavyweights agreed to reveal their political spending and lobbying efforts in exchange for the withdrawal of shareholder proposals.

Coca-cola, General Electric Co. and Johnson & Johnson were among the companies that published more detailed information about areas like trade association memberships and top policy issues, Reuters said. The information will better enable the average investor to track down company lobbying activities, said Tim Smith, senior vice president at Walden Asset Management. Others calling for increased corporate disclosure include the AFSCME union and the New York State Common Retirement Fund.

Google fuels investor unease

Google compounded fears that shareholders are being disenfranchised after announcing a stock change that would create a new class of nonvoting shares.

The new class of shares, Class C, will have no voting power. The company has had a dual-class share structure in place since its inception and has made it public that it has no intention of increasing shareholder voting power. The company argued the dual-class structure shields it from outside pressure during potentially risky investments like YouTube and the mobile operating system Android. The new proposal was to be put forth at the company AGM but with the founders controlling the majority of voting power, the chance of it not passing was slim.

WellPoint lobbying challenged

A U.S. investor coalition called on shareholders to oppose the election of two WellPoint directors for their failure to oversee “high risk” political contributions.

According to the shareholder group, the second largest U.S. healthcare company by membership was targeted for its reluctance to explain why \$86 million was transferred from the health insurer's trade association to business lobby group the U.S. Chamber of Commerce. The payment by WellPoint (a member of the Chamber) was issued at the height of the campaign against President Obama's health care plan. Change to Win, U.S. labor organization and part of the shareholder campaign to force companies to disclose their political and lobbying expenditures, said “this is the most egregious clandestine campaign funding we have ever seen.” This is the first time shareholders have held board members rather than a company accountable for political and lobbying expenditure decisions, said The Washington Post.

U.S. pay ratio too wide say unions

CEOs of S&P500 listed companies now make 380 times the salary of average workers in the U.S., according to the latest review of executive pay by the AFL-CIO.

AFL-CIO, which has been reporting U.S. CEO pay trends for the past 15 years, shows the overall pay for S&P500 CEOs has reached nearly \$13 million. Average U.S. worker pay for the same period totalled \$34,053 – a mere 2.8% increase. This new level of executive pay, which has increased by 13.9% compared to last year, places the U.S. as the country with the widest pay gap in the world.

Wal-Mart under more scrutiny

Pressure continued to build for U.S. retail giant Wal-Mart as new evidence linking the company to corporate interest group U.S. Chamber of Commerce's lobbying campaign to amend the U.S.' anti-bribery law surfaces.

Over the past two years the Chamber has increased its efforts to amend parts of the U.S.' 1977 Foreign Corrupt Practices Act, which prohibits U.S. companies and their subsidiaries from bribing foreign officials. The notion of amending the law has sparked serious debate in both the Justice Department and Capital Hill. So much so that it provoked a response from Secretary of State Hillary Rodham Clinton who stated that the Obama administration is "unequivocally opposed" to weakening the FCPA. However, it has gained considerable backing from a number of corporations, trade groups such as the Retail Industry Leaders Association and former attorney general (and influential lobbyist) Michael B. Mukasey whose law firm has received over \$200,000 from the Chamber, reported the Washington Post.

Wal-Mart's own involvement in bribery first became public knowledge when the New York Times exposed a series of wrongdoings at the company's largest foreign subsidiary, Wal-Mart de Mexico, which included an aggressive "campaign of bribery" to win building permits throughout the country. The New York Times' investigation into the matter was the first time the story was publicly revealed despite the activities having been known by company headquarters in Arkansas since 2005. According to reports, the campaign was orchestrated under former Wal-Mart CEO and current board member Lee Scott's watch. The retailer's activities were first brought to the attention of the company's lawyer when a whistleblower from the Mexican subsidiary contacted officials in 2005, leading to a widespread investigation that uncovered evidence of bribery totalling more than \$24 million. Thomas D. Hyde, the company's former corporate secretary and ethics officer, was at this time a member of the Institute of Legal Reform – a department within the Chamber that has led the campaign to amend the law, said the Washington Post. The misconduct was never reported by the company to Mexican or American officials. Of particular concern to critics is the Chamber's determination to gut the law and that multinationals like Wal-Mart have executives sitting on the Chamber's board. A top executive from Wal-Mart has been on the Chamber's board for almost a decade.

Should Wal-Mart be found guilty, it would be in violation of the U.S. law.

CalPERS reports on ESG issues

The California Public Employees' Retirement Systems (CalPERS) created a roadmap for sustainable investing by issuing its first-ever report on the pension fund's journey to environmental, social and governance investments.

The report, *Towards Sustainable Investment: Taking Responsibility*, chronicles the steps the fund has taken to create a fiduciary framework that integrates sustainability across the its \$235 billion investment portfolio as well as how this "total fund" approach will enable it to achieve long-term risk adjusted returns. In addition to examples and achievements, the report includes: the "3Ps" of the CalPERS Program: Priorities, Performance, and Procurement; the core themes of alignment of interest, climate change and human capital; sustainable principles at work in the pension fund's global proxy voting and Focus List programs; and the relationships CalPERS has with leading sustainable and corporate governance associations and academic bodies.

Chesapeake splits top roles

Chesapeake Energy has agreed to two crucial governance reforms: removal of the Founder Well Participation Program and separation of the chair and CEO.

The second-largest natural gas producer in the US announced that it has ended CEO Aubrey McClendon's controversial remuneration plan after the plan enabled him to borrow over a billion dollars from the company's treasury sparked widespread investor criticism, said the New York Times. The company has sought further shareholder approval by agreeing to appoint an independent chairman. The

company's dual role had been a major concern for shareholders.

Knight Capital loses Say on Pay

Knight Capital became the latest company to have its remuneration package fall under the blades of the shareholder guillotine after failing to gain shareholder support for its executive pay package at the company's AGM.

Shareholders of the New Jersey based company rejected the remuneration plan by a margin of almost two-to-one, according to Financial News. Investors questioned the pay package of chief executive Tom Joyce whose remuneration was nearly \$6.4 million last year. After the vote, Joyce pledged to work with the company's investors to "clarify and enhance" the company's pay structure. Adding that both the board and the management "take seriously the design of compensation policies and procedures."

Row over corporate lobbying

U.S. shareholder activists responded angrily to a Wall Street Journal editorial that attacked a campaign on disclosure of corporate funding of lobbyists.

The WSJ comment on the campaign for disclosure at WellPoint claimed that it was intended to "intimidate companies from exercising their free-speech rights" and was "part of the larger campaign by unions and liberal lobbies to demonize corporate donors." In response, U.S. governance veteran Nell Minnow penned a piece for the Huffington Post citing research showing that for every additional \$10,000 a firm spent of political donations, its stock market price dropped 7.4 basis points below expectation. She wrote: "The people whose money is being spent are entitled to the information about what candidates and associations are being supported."

Analysts split over quarterlies

There is a clear split between U.S. analysts and those in the rest of the world over the value of quarterly reporting by companies, Citigroup research has shown.

Over half of the participants (57%) in the survey agreed that if companies were not required to issue quarterly reports they would be given more time to consider the longer-term investment case. The results to the questionnaire showed a sharp regional divide with over two-thirds of EMEA (66%) and AsiaPac (70%) analysts agreeing. Of these, Australia and Japan held the strongest views with 100% and 93%, respectively, supporting the reduction of quarterly reports. In contrast, 71% of analysts in the Americas disagreed. Further results indicated that more senior, male analysts were likely to agree with the statement compared to less experience junior analysts and females.

JP Morgan board challenged

In the aftermath of a serious shareholder challenge to banking giant J.P. Morgan, an increasing number of US investors backed proposals for the separation of chair and CEO this proxy season.

Results from the company's AGM showed that 40% of shareholders called for Jamie Dimon to relinquish his chairmanship title – up 6% compared to last year. Having combined roles at the top remains majority practice among US companies compared to the UK where very few companies fail to have an independent chair. Though it is difficult to say at this point in the US AGM season if the trend will continue. However, there were suggestions that momentum for splitting top roles is increasing. According to a Reuters report, many investors argued that having an independent chair in place should provide better oversight of pay and other governance issues.

Shareholders target fracking

A major investor campaign spearheaded by Boston Common Asset Management, the Investor Environmental Health Network and the Interfaith Center on Corporate Responsibility urged energy companies to adopt a set of best practice guidelines for shale gas fracking.

The 55 investors with \$1 trillion in assets said in a joint press release that they will no longer willingly sit idly by as energy companies engaged in the practice known as 'Fracking' face concerns about industry drilling problems, growing regulatory uncertainty, and increasing opposition from concerned shareholders. Therefore they urged energy companies to adopt *Extracting the Facts: An Investor Guide to Disclosing Risks from Hydraulic Fracturing Operations*, which provides guidance based on 12 core goals and supporting practices and indicators inspired by energy companies' requests, in dialogues with investors. The investors backing the guide believe adoption of the best practice principles can help energy companies pre-empt common impacts associated with fracking, including: bans, inconsistent practices that make it impossible for investors to make informed choices and growing shareholder unrest.

Investors unfriend Facebook IPO

Three separate shareholders of Facebook, Inc. filed class action lawsuits against the social media giant, its underwriters and Nasdaq OMX Group, Inc.

The first lawsuit, worth £1.8 billion, was filed by US-based law firm Robbins Geller. * In a press release the law firm alleged that the "Registration Statement and Prospectus issued in connection with the IPO were false and misleading" - a violation of the Securities Act. The plaintiffs of the second lawsuit, US-based Glancy Binkow & Goldberg LLP, claimed that weakened growth forecasts were "passed on only to a handful of large investor clients, not the public," enabling certain investors to sell their shares before the price fell. The information omitted pertained to a reduction in revenue due to users accessing the site via mobile devices rather than traditional PCs. The third class-action suit was filed by Maryland resident and Facebook shareholder, Philip Goldberg, who claimed to have lost money from the failure of the company and its underwriters to disclose material information. Shares dropped by 20% since the company's IPO.

*NB Alan MacDougall, PIRC's managing director, is the European corporate governance adviser to the Robbins Geller firm.

CalPERS targets three companies

The California Public Employees' Retirement System (CalPERS) called on fellow shareholders to support its governance proposals at three major U.S. companies.

The companies in question included Nabors Industries, Chesapeake Energy and New York Community Bancorp. "Egregious" executive pay was the chief concern at Nabors Industries. Though the company's stock has decreased for the past five years, it proposed a \$100 million non-performance severance package for the former CEO and approximately \$50 million to the current CEO. At Chesapeake Energy CalPERS was advocating the removal of the 67% supermajority voting requirements. The U.S.' largest pension fund asked shareholders of New York Bancorp to back its proposal to replace the company's plurality voting standard with majority voting. Lastly, CalPERS announced that it would back proposals requesting access to the director nomination process at both Nabors Industries and Chesapeake Energy.

Wal-Mart directors challenged

In the wake of allegations of bribery, a record number of shareholders voted against Wal-Mart executives for the first time in the world's largest company's history.

Results from the company's AGM showed that 13% of investors voted against the re-election of CEO Mike Duke, including just under 13% voting against founder Sam Walton's son and chairman Robson Walton, and an additional 15.6% voting against former CEO Lee Scott. Wal-Mart's chairman of the audit committee, Christopher Williams, also had just over 13% of votes cast against his re-appointment. With the Walton family controlling 47% of shares, investors had little chance of voting out executives. However,

analysis from the New York City Comptroller's Office showed that, the Wal-Mart family aside, over 32% of shares were cast against both Duke and Williams, just over 31% went against Walton and more than 38% were against Scott, according to Bloomberg. Last year, Rob Walton, Scott and Duke had almost 100% shareholder backing. Wal-Mart reaffirmed its commitment to compliance and integrity in all of its operations after the AGM.

Best Buy board bust-up

Further shake ups in Best Buy's boardroom as founder Richard Schulze announced that he would resign his chairmanship effective immediately.

Schulze added that he would "explore all available options" for his 20% stake in the company. Hatim Tyabji, Best Buy director and executive chairman of Bytemobile, will replace Schulze, announced the company in a press release. In the wake of a company scandal involving Schulze's failure to report an inappropriate relationship between former CEO Brian J. Dunn and a female employee, he agreed to relinquish his chairmanship role at the June 2013 AGM. However, sources close to the situation believe the abrupt change implies some sort of disagreement between Schulze and the board around strategies for the company, said the New York Times. Best Buy is under investor scrutiny for \$1.23 billion in losses during the last fiscal year.

Poor voting on climate proposals

Recent analysis shows that three leading U.S. mutual funds failed to support a single climate change resolution during the 2011 AGM season.

American Funds, Fidelity and Vanguard voted on numerous shareholder resolutions but none of their votes cast favoured resolutions to improve corporate environmental and financial performance related to climate change, according to analysis undertaken for CERES. The analysis, undertaken by Jackie Cook, founder of Fund Votes, found that Fidelity abstained on 89% and voted against 11% of proposals on climate change and climate risk management strategies, despite its proxy voting guidelines stating that abstentions are used mainly when information on economic impact is lacking. Given the wealth of financial and analytical data on climate change, Cook argued that this clearly is not the case. Vanguard abstained on 88% and voted against 12% of these issues. American Funds voted against every climate change resolution filed in 2011.

Pressure for political disclosure

Strong support for corporate political disclosure and accountability resolutions reflects sustained investor interest this US proxy season.

According to US-based non-profit Center for Political Accountability (CPA), corporate political spending resolutions received over 40% of shareholder backing at five US companies: Coventry Health Care Inc (48.62%); Anadarko Petroleum Corp (46.62%); Windstream Corp (43.30%); CenturyLink Inc (41.08%); and CVS Caremark Corp (40.91%). Investor support for resubmitted resolutions on political disclosure grew at 12 out of 18 companies, with WellCare being one of the most notable after capturing almost 60% of total shareholder votes in favour or in abstention. An analysis of proxy votes obtained from 25 companies as of June showed that more than half of resolutions using CPA's model proposals on corporate political expenditures won over 30% of votes in favour, said CPA in a press release. CPA added that 13 of the 51 resolutions filed resulted in companies agreeing to work with shareholders. "Both institutional and retail shareholders are casting high votes for political transparency. They recognize and are responding to the heightened threat posed by secret political spending since Citizens United," said CPA president Bruce Freed.

Meanwhile, CNN reported that the US Supreme Court met in private to deliberate over its temporary block on Montana's Supreme Court's decision to reinstate a century old law that prohibits corporate political spending. Proceeding will require the court to revisit the highly controversial ruling that gave "free

speech” to corporations in federal election expenditures.

FSOC weak on progress

Just two years after the implementation of the Dodd-Frank Act, the Systemic Risk Council (SRC), a private sector, non-partisan body, fears not enough progress has been made toward the implementation of financial reforms.

The Financial Stability Oversight Council and the Office of Financial Research were commissioned to oversee the U.S.'s financial system in the wake of the financial crisis. However, an investigation into their progress by the SRC found that a sense of complacency has made reforms seem less urgent. On this basis, the SRC has issued a set of priorities it believes deserve immediate attention by the regulators.

Water-risk disclosure still lagging

More robust water-related information is needed to help investors better evaluate the extent to which their investments are exposed to associated risks.

Recent analysis of over 80 corporate disclosures of water risks between 2009 and 2011 shows that company reporting of this issue has increased but that most of the information provided by companies fails to disclose financially material water-risks posed by climate change, according to *Clearing the Waters: A Review of Corporate Water Risk and Disclosure in SEC filings*. The report, undertaken by CERES, the U.S. coalition of investors, found that data from companies relating to financial impacts, quantitative water metrics and potential supply chain risks is lacking. The shareholder group argues that investors need the specificity and the hard numbers to ensure they are investing responsibly. Investors like Michael P. McCauley, senior officer at Investment Programs & Governance at the Florida State Board of Administration, argue that corporate water use has become a significant corporate governance issue due to the economic advantage companies can gain through sensible water use management.

Eight water intensive sectors have been covered in the report, including: beverages, chemicals, electric power, food, homebuilding, mining, oil & gas and semiconductors. The report concludes with a number of recommendations for companies, such as more quantitative data in SEC filings and providing investors with details of how water risks are being mitigated.

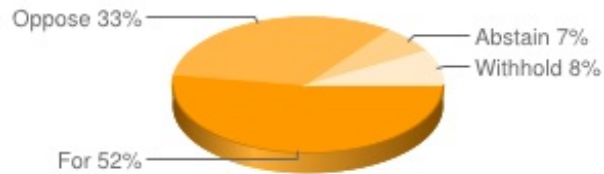
US Voting Charts

These graphs include meetings where the client held a voting entitlement exercisable by PIRC according to portfolio details communicated to PIRC prior to execution of the vote.

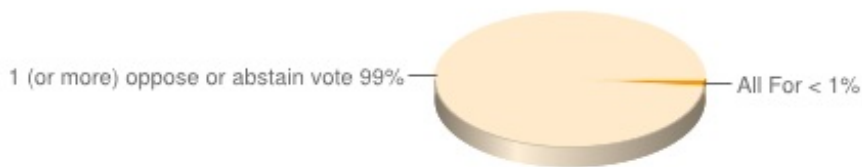
Total Resolutions	
For	813
Oppose	511
Abstain	111
Withhold	131
Withdrawn	0
Total	1566

Meetings	AGM	EGM	Total
Total Meetings	116	0	116
1 (or more) oppose or abstain vote	115	0	115

US Voting Record



US AGM Record



US EGM Record

There were no EGMs during the last period in the client's portfolio.

US Voting Timetable Q2 2012

List of meetings held throughout the period in the fund's portfolio.

Voted Meetings

Table 6: Meetings voted in the quarter

	Company	Meeting Date	Type	Date Voted
1	BANK OF NEW YORK MELLON CORP.	10 Apr 12	AGM	2012-03-26
2	UNITED TECHNOLOGIES CORP	11 Apr 12	AGM	2012-03-26
3	CARNIVAL CORP.	11 Apr 12	AGM	2012-03-26
4	SCHLUMBERGER LTD	11 Apr 12	AGM	2012-03-26
5	ADOBE SYSTEMS INC	12 Apr 12	AGM	2012-03-27
6	LILLY (ELI) & CO	16 Apr 12	AGM	2012-04-05
7	CITIGROUP INC.	17 Apr 12	AGM	2012-04-10
8	M&T BANK CORP.	17 Apr 12	AGM	2012-04-02
9	T. ROWE PRICE GROUP INC	17 Apr 12	AGM	2012-04-10
10	INTERNATIONAL BUSINESS MACHINES CORP	24 Apr 12	AGM	2012-04-15
11	PNC FINANCIAL SERVICES GROUP INC	24 Apr 12	AGM	2012-04-15
12	AMEREN CORPORATION	24 Apr 12	AGM	2012-03-29
13	L-3 COMMUNICATIONS HOLDINGS INC	24 Apr 12	AGM	2012-03-29
14	METLIFE INC.	24 Apr 12	AGM	2012-04-15
15	WELLS FARGO & CO	24 Apr 12	AGM	2012-04-05
16	NEWMONT MINING CORP. (HLDG CO.)	24 Apr 12	AGM	2012-04-16
17	EATON CORP.	25 Apr 12	AGM	2012-04-16
18	GENERAL ELECTRIC CO	25 Apr 12	AGM	2012-04-16
19	BALL CORP.	25 Apr 12	AGM	2012-04-16
20	GRAINGER (W.W.) INC.	25 Apr 12	AGM	2012-04-16
21	COCA-COLACO.	25 Apr 12	AGM	2012-04-05
22	DUPONT E I DE NEMOURS & CO	25 Apr 12	AGM	2012-04-16
23	MARATHON PETROLEUM CORP	25 Apr 12	AGM	2012-04-16
24	LEXMARK INTERNATIONAL INC.	26 Apr 12	AGM	2012-04-11
25	HUMANAINC.	26 Apr 12	AGM	2012-04-12
26	PFIZER INC.	26 Apr 12	AGM	2012-04-16
27	JOHNSON & JOHNSON	26 Apr 12	AGM	2012-04-12
28	AT&T INC.	27 Apr 12	AGM	2012-04-17
29	EMC CORP.	01 May 12	AGM	2012-04-25
30	EXPEDITORS INTERNATIONAL OF WASHINGTON INC.	02 May 12	AGM	2012-04-25
31	PEPSICO INC.	02 May 12	AGM	2012-04-24
32	HESS CORPORATION	02 May 12	AGM	2012-04-24
33	TESORO CORP	03 May 12	AGM	2012-04-17
34	BEMIS COMPANY INC	03 May 12	AGM	2012-04-18
35	DIRECTV Class A	03 May 12	AGM	2012-04-24
36	FLUOR CORP.	03 May 12	AGM	2012-04-18
37	DUKE ENERGY CORP.	03 May 12	AGM	2012-04-24
38	UNITED PARCEL SERVICE INC	03 May 12	AGM	2012-04-24

39	EASTMAN CHEMICAL CO.	03 May 12	AGM	2012-04-24
40	VALERO ENERGY CORP	03 May 12	AGM	2012-04-24
41	VERIZON COMMUNICATIONS INC	03 May 12	AGM	2012-04-24
42	ALCOA INC.	04 May 12	AGM	2012-04-18
43	MARRIOTT INTERNATIONAL INC.	04 May 12	AGM	2012-04-25
44	ENTERGY CORP.	04 May 12	AGM	2012-04-25
45	ILLINOIS TOOL WORKS INC.	04 May 12	AGM	2012-04-25
46	OCCIDENTAL PETROLEUM CORP.	04 May 12	AGM	2012-04-25
47	BERKSHIRE HATHAWAY	05 May 12	AGM	2012-04-26
48	PRUDENTIAL FINANCIAL INC.	08 May 12	AGM	2012-04-30
49	CAPITAL ONE FINANCIAL CORP	08 May 12	AGM	2012-04-30
50	LOEWS CORP.	08 May 12	AGM	2012-04-30
51	DANAHER CORP.	08 May 12	AGM	2012-04-30
52	BOSTON SCIENTIFIC CORP	08 May 12	AGM	2012-04-30
53	3M COMPANY	08 May 12	AGM	2012-04-30
54	PHILIP MORRIS INTERNATIONAL INC.	09 May 12	AGM	2012-05-01
55	CONOCOPHILLIPS	09 May 12	AGM	2012-04-30
56	BANK OF AMERICA CORP.	09 May 12	AGM	2012-04-30
57	AUTONATION INC.	09 May 12	AGM	2012-04-26
58	MURPHY OIL CORP.	09 May 12	AGM	2012-04-27
59	CF INDUSTRIES HOLDINGS, INC.	10 May 12	AGM	2012-05-01
60	SEMPRAENERGY	10 May 12	AGM	2012-05-01
61	GILEAD SCIENCES INC	10 May 12	AGM	2012-05-01
62	LEGGETT & PLATT INC.	10 May 12	AGM	2012-05-01
63	INTEGRYS ENERGY GROUP INC.	10 May 12	AGM	2012-05-01
64	NUCOR CORP.	10 May 12	AGM	2012-05-01
65	QUEST DIAGNOSTICS INC	11 May 12	AGM	2012-05-10
66	COLGATE-PALMOLIVE CO.	11 May 12	AGM	2012-05-01
67	PG&E CORP.	14 May 12	AGM	2012-05-02
68	BOSTON PROPERTIES INC.	15 May 12	AGM	2012-05-02
69	J.P. MORGAN CHASE & CO	15 May 12	AGM	2012-04-27
70	TIME WARNER INC.	15 May 12	AGM	2012-05-02
71	MORGAN STANLEY	15 May 12	AGM	2012-05-08
72	SPRINT NEXTEL CORP.	15 May 12	AGM	2012-05-02
73	DEAN FOODS CO	16 May 12	AGM	2012-05-02
74	WELLPOINT INC	16 May 12	AGM	2012-05-02
75	NORTHROP GRUMMAN CORP.	16 May 12	AGM	2012-05-08
76	STATE STREET CORP.	16 May 12	AGM	2012-05-08
77	INTEL CORP	17 May 12	AGM	2012-05-10
78	KEYCORP	17 May 12	AGM	2012-05-03
79	SIMON PROPERTY GROUP INC.	17 May 12	AGM	2012-05-10
80	LORILLARD, INC.	17 May 12	AGM	2012-05-10
81	DR PEPPER SNAPPLE GROUP, INC.	17 May 12	AGM	2012-05-09
82	COVENTRY HEALTH CARE INC	17 May 12	AGM	2012-05-10
83	HOME DEPOT INC	17 May 12	AGM	2012-05-10
84	J.C. PENNEY COMPANY INC.	18 May 12	AGM	2012-05-10
85	CONSOLIDATED EDISON INC	21 May 12	AGM	2012-05-10
86	JUNIPER NETWORKS INC	22 May 12	AGM	2012-05-11
87	MERCK & CO.	22 May 12	AGM	2012-05-11

88	AMGEN INC.	23 May 12	AGM	2012-05-14
89	DENTSPLY INTERNATIONAL INC.	23 May 12	AGM	2012-05-11
90	SOUTHERN CO.	23 May 12	AGM	2012-05-14
91	BIG LOTS INC.	23 May 12	AGM	2012-05-15
92	FOSSIL INC	23 May 12	AGM	2012-05-16
93	CME GROUP INC.	23 May 12	AGM	2012-05-16
94	UNUM GROUP.	24 May 12	AGM	2012-05-15
95	MCDONALD'S CORP.	24 May 12	AGM	2012-05-16
96	LIMITED BRANDS INC.	24 May 12	AGM	2012-05-17
97	AMAZON COM INC.	24 May 12	AGM	2012-05-18
98	ROBERT HALF INTERNATIONAL INC	24 May 12	AGM	2012-05-18
99	VERISIGN INC	24 May 12	AGM	2012-05-23
100	MOLSON COORS BREWING CO.	30 May 12	AGM	2012-05-16
101	EXXON MOBIL CORP	30 May 12	AGM	2012-05-18
102	FIDELITY NATIONAL INFORMATION SERVICES INC.	30 May 12	AGM	2012-05-21
103	CHEVRON CORP.	30 May 12	AGM	2012-05-22
104	WAL MART STORES INC	01 Jun 12	AGM	2012-05-24
105	LOWES COMPANIES INC	01 Jun 12	AGM	2012-05-23
106	DEVON ENERGY CORP.	06 Jun 12	AGM	2012-05-25
107	BIOGEN IDEC INC.	08 Jun 12	AGM	2012-05-28
108	CELGENE CORPORATION	13 Jun 12	AGM	2012-06-07
109	AMERICAN TOWER CORP	19 Jun 12	AGM	2012-06-11
110	Google Inc.	21 Jun 12	AGM	2012-06-18

Not Voted Meetings

Table 7: Meetings not voted in quarter

	Company	Meeting Date	Type	Reason Not Voted
1	NISOURCE INC.	15 May 12	AGM	No ballot
2	APACHE CORP.	24 May 12	AGM	No shares at record date
3	EXPRESS SCRIPTS HOLDINGS CO	30 May 12	AGM	No shares at record date
4	TJX COS INC	13 Jun 12	AGM	No shares held at record date
5	DOLLAR TREE INC	14 Jun 12	AGM	No shares at record date
6	EQUITY RESIDENTIAL	21 Jun 12	AGM	No shares at record date

US Upcoming Meetings Q3 2012

List of meetings scheduled to be held throughout the period by US companies currently in the fund's portfolio.

Table 8: Upcoming Meetings

	Company	Meeting Date	Type
1	YAHOO INC.	12 Jul 12	AGM
2	DELL INC.	13 Jul 12	AGM
3	MCKESSON CORP.	25 Jul 12	AGM
4	ELECTRONIC ARTS INC.	26 Jul 12	AGM
5	CONSTELLATION BRANDS, INC.	27 Jul 12	AGM
6	NETAPP INC	01 Aug 12	AGM

7	WYNN RESORTS LTD	01 Aug 12	AGM
8	GOODRICH CORPORATION	01 Aug 12	AGM
9	MEDTRONIC INC	01 Aug 12	AGM
10	CA, Inc.	01 Aug 12	AGM
11	COMPUTER SCIENCES CORP.	07 Aug 12	AGM
12	XILINX INC.	08 Aug 12	AGM
13	RALPH LAUREN CORP	09 Aug 12	AGM
14	RED HAT INC	09 Aug 12	AGM
15	AIRGAS INC	14 Aug 12	AGM
16	PRECISION CASTPARTS CORP.	14 Aug 12	AGM
17	SMUCKER (JM) CO.	15 Aug 12	AGM
18	FOREST LABORATORIES, INC.	15 Aug 12	AGM
19	MICROCHIP TECHNOLOGY INC	17 Aug 12	AGM
20	H.J. HEINZ CO.	28 Aug 12	AGM
21	H&R BLOCK INC.	01 Sep 12	AGM
22	CONAGRAFOODS INC.	01 Sep 12	AGM
23	FEDEX CORPORATION	01 Sep 12	AGM
24	PATTERSON COMPANIES, INC.	01 Sep 12	AGM
25	DARDEN RESTAURANTS INC.	01 Sep 12	AGM
26	NIKE INC.	01 Sep 12	AGM
27	GENERAL MILLS INC	01 Sep 12	AGM

PIRC Summary Report Appendices

UK

Analysis and final proxy results on "Oppose" and "Abstain" votes for resolutions at UK meetings for companies held by the fund during the period.

US

Analysis for "Oppose", "Withhold" and "Abstain" votes for resolutions at US meetings for companies held by the fund during the period.

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Pensions & Investment Research Consultants Limited

9 Prescott Street

London E1 8AZ

Tel: 020 7247 2323 Fax: 020 7247 2457

Email: info@pirc.co.uk

<http://www.pirc.co.uk>

Regulated by FSA