

News Release

Date:	Monday 30 October 2017
Subject:	Increased opposition to exec pay across Europe sees three-fold surge in France; UK AGMs turning against director nominees, says Georgeson

London, Monday 30 October 2017 – The number of pay-related proposals contested at the AGMs of listed French companies was more than three times higher in 2017 than last year, a report by Georgeson has revealed.

In its recently-published 2017 Proxy Season Review, the world's leading provider of corporate strategic services has reported an increase in remuneration-related proposals that faced more than 10% opposition among voting shareholders in Germany, Switzerland, the Netherlands, Italy, Spain and France, with the surge in CAC 40 companies hitting 205%.

Georgeson has also reported a 322% increase over the last three years in the number of directors at FTSE 100 companies receiving more than 10% of votes against their election.

However, the review also suggests that the shareholder revolt against executive pay in the UK appears to have calmed, with the number of remuneration report votes being contested by more than 10% of those voting, falling by 28% compared to last year and representing an overall reduction since 2015.

Cas Sydorowitz, CEO Corporate Advisory at Georgeson, said: "This demonstrates that executive pay is still firmly on the continental agenda, and French companies in particular must carefully prepare for their next AGMs.

"While UK companies can breathe a sigh of relief over declining dissent on pay, the emergence of increased antagonism over director elections, if left to fester, could lead to further challenges in the future.

"Overall, this AGM season has seen increased shareholder activism across Europe, a greater corporate emphasis on engaging with long-term investors, and the growth of passive investors – who track indexes and cannot sell their holdings – which has focused many investment firms' attention on their governance teams and how they exercise their voting rights."

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Georgeson's report covers UK, France, the Netherlands, Germany, Switzerland, Italy, and Spain, and provides a "comprehensive analysis" of corporate governance developments, quorum levels, AGM vote results and recommendations from both international and local proxy advisory firms.

Elsewhere in the review, Georgeson reports that:

- In France (CAC 40), the overall number of remuneration-related proposals increased, but only by 83%.
- In the UK (FTSE 100), the number of directors that faced over 10% opposition over their election increased from 19 to 38 between 2016 and 2017 (and had increased from nine to 19 between 2015 and 2016).
- The only director election to fail across the FTSE 350 during the 2017 AGM season was reversed by the Board: at Centamin the proposal to re-elect Trevor Schultz only received a 34.9% vote in favour, but the Board nonetheless re-appointed him immediately after the AGM.
- In Germany (DAX), three of the four board proposals rejected by shareholders were remuneration-related and, for the second consecutive year, 88% of those put forward were contested by more than 10% of those voting.
- In Switzerland (SMI), advisory remuneration report votes continue to be widely contentious, with more than half of the proposed resolutions being contested by more than 10% of those voting each year since 2015 and with four companies receiving less than 60% support in 2017.
- In the Netherlands (AEX and AMX), there was a 17% increase year on year in the number of remuneration-related resolutions contested by more than 10% of those voting, with the increase at 133% when compared to 2015.
- In Italy (FTSE MIB) there was a 50% increase in the number of remuneration report resolutions contested by more than 10% of those voting in 2017 compared to last year.
- In Spain (IBEX 35), the number of remuneration report resolutions contested by more than 10% of those voting in 2017 increased by 16% since last year and by 120% since 2015.

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Notes

1. Georgeson's report can be found at www.georgeson.com/2017SeasonReview.
2. For high resolution images of spokespeople, visit <http://cpu.vg/spokespeople>.

About Georgeson

Established in 1935, Georgeson is the world's original and foremost provider of strategic services to corporations and investors working to influence corporate strategy. We offer unsurpassed advice and representation for annual meetings, mergers and acquisitions, proxy contests and other extraordinary transactions. Our core proxy expertise is enhanced with and complemented by our strategic consulting services, including solicitation strategy, investor identification, corporate governance analysis, vote projections and insight into investor ownership and voting profiles. Our local presence and global footprint allow us to analyse and mitigate operational risk associated with various corporate actions worldwide. For more information, visit www.georgeson.com.