



# TUC Fund Manager Voting Survey 2009

A survey of the voting and engagement records and processes of institutional investors

## Executive summary

This is the TUC's seventh annual fund manager voting survey. The survey is intended to give trustees information on how various fund managers exercise voting rights in relation to controversial issues at company AGMs, and an insight into voting and engagement processes. We intend to repeat it on an annual basis.

The TUC is concerned by the industry's lack of engagement with our research. The number of organisations participating in the survey has fallen for the third consecutive year. Organisations which report publicly or are willing to participate in the survey demonstrate a commitment to transparency and accountability. Therefore the decreasing participation in the survey must raise concerns about the industry's commitment to openness.

The voting data obtained demonstrates that there is a clear divergence in investor approaches to ownership, with some evidently far less willing than others to oppose management. The striking differences in investors' use of shareholder voting rights, which would not be apparent from their corporate governance policies, is one of the main reasons why the TUC believes that voting data should be in the public domain. The TUC will continue to lobby strongly for mandatory disclosure.

The second section of the survey looks at processes and policies. There are some interesting findings in this year's survey. For example, many respondents feel that there is growing interest from their clients in their voting and engagement activity. It also appears that this is becoming formalised, with a number of managers stating that Requests for Proposals (RFPs) increasingly require information on this aspect of their activities.

In terms of the issues over which investors say they are most likely to engage and potentially vote against management, it is clear that remuneration dominates, and this is confirmed by the voting data supplied. Turning to corporate social responsibility factors, it appears that many investors do not have specific policies on labour issues.

Although almost three quarters of respondents make some voting data available there are considerable variations in the level of disclosure. In addition some investors which do not disclose do not provide a statement explaining their lack of disclosure, as recommended by the Institutional Shareholders Committee.

## Key facts about the 2009 survey

The response rate is lower than last year. In 2008 a total of 23 investment organisations took part in the survey in some way, with 26 not responding. This year, we again received full or part responses from 23 organisations, including 4 which were not part of the target group, while 29 failed to respond or take part.

Overall, just under 40% of the target group provided some sort of response. Last year 45% provided some sort of response. The response is still significantly lower than previous years. 42% provided some sort of information in 2007, 61% in 2006, and 68% in 2005.

Only 19 provided responses on both sections of the survey – on voting records and policies and processes. One organisation provided only voting data. This takes the total number who provided voting records this year to 20. This compares to 21 last year, 25 in 2007, 26 in 2006, and 28 in 2005.

A further three provided responses to Section Two bringing the total number who provided information on policies and processes to 22.

There is a clear divide amongst investors in their willingness to challenge management. At one end of the spectrum, eight respondents supported over 90% of management proposals on which voting decisions were sought. At the other end six respondents supported less than 50% of management proposals.

Almost three quarters (16 out of 22) of survey respondents now make at least some voting data publicly available. Managers which do not disclose do not appear to given a public explanation of their policy on this matter.

Investors say that remuneration is the issue over which it is most likely that they will oppose management. This is confirmed in the voting data supplied to the survey.

Respondents do not appear to have had a particular issue with remuneration arrangements at UK banks, as votes on the banks' remuneration reports are not out of line with those at other companies.

Only a single investor in the sample – Co-operative Insurance Society – opposed the RBS acquisition of ABN Amro. All other respondents voted in favour.

The survey will be distributed to the TUC's Member Trustee Network covering 1,000 pension fund trustees.

## Introduction and background

This is the seventh annual survey of the voting policies and practices of leading UK institutional investors. From the outset the TUC has undertaken this research to both put more information in the hands of trustees, and to ensure that there is accountability in the ‘investment chain’ linking beneficiaries, such as pension scheme members, to the companies in which their savings are invested.

In the very first survey, published in 2003, it was stated that: “Fund managers have the power to move markets, to intervene in companies and influence decisions that can have either positive or negative effects for millions of working people. Any organisations wielding such great power should be required to account for their actions...”

The events of the past two years provide dramatic evidence of the need for such accountability. Whilst the financial crisis has both many causes and effects, the question of how shareholders have engaged in recent years with companies in general, and banks in particular, has emerged as an important theme. Both City minister Lord Myners<sup>1</sup>, and Financial Services Authority chief executive Hector Sants<sup>2</sup> have drawn attention to the role of shareholders. In addition the Treasury select committee has also been critical of investor engagement<sup>3</sup>. And a number of representatives from the investment industry have indicated that they accept that shareholders could have played a more effective role in the run-up to the crisis, in particular in the use of shareholder voting rights<sup>4</sup>.

The public interest in how shareholders exercise their ‘ownership’ function is now very clear. A large part of the UK’s banking sector has required taxpayer support in order to continue to function, and the taxpayer is, via UK Financial Investments, a significant shareholder in the sector. Whilst governance, and shareholders’ role in it, is only one element in the crisis, it is crucially important that the failings that have emerged should be properly addressed.

Transparency in relation to shareholders’ ownership activity is therefore vital. The TUC has repeatedly called for mandatory disclosure of voting records by institutional investors. The Government took a reserve power in the Companies Act 2006 that would enable it to make disclosure mandatory<sup>5</sup>, but has so far resisted using it. In the meantime the Institutional Shareholders Committee (ISC) produced a framework in June 2007 putting forward a ‘comply or explain’ approach to disclosure<sup>6</sup>.

---

<sup>1</sup> [http://hm-treasury.gov.uk/speech\\_fsst\\_120309.htm](http://hm-treasury.gov.uk/speech_fsst_120309.htm)

<sup>2</sup> [http://www.fsa.gov.uk/pages/Library/Communication/Speeches/2009/0311\\_hs.shtml](http://www.fsa.gov.uk/pages/Library/Communication/Speeches/2009/0311_hs.shtml)

<sup>3</sup> <http://www.publications.parliament.uk/pa/cm200809/cmsselect/cmtreasy/519/51902.htm>

<sup>4</sup> <http://www.investmentuk.org/press/2009/20090501.asp>

<sup>5</sup> [http://www.opsi.gov.uk/acts/acts2006/ukpga\\_20060046\\_en\\_77#pt44-pb2-11g1277](http://www.opsi.gov.uk/acts/acts2006/ukpga_20060046_en_77#pt44-pb2-11g1277)

<sup>6</sup> Available at <http://www.institutionalshareholderscommittee.org.uk/library.html>

Since the publication of the ISC framework there has been an increase in fund managers that ‘comply’- those that disclose voting data. However there is little evidence that fund managers which do not disclose ‘explain’ their refusal to do so. The Investment Management Association’s most recent engagement survey reports that one manager in its sample discloses its policy on voting, and six others disclose nothing<sup>7</sup>. Meanwhile the Local Authority Pension Fund Forum was unable to identify any managers providing an explanation for their position if they do not disclose voting data. It is not clear therefore that the ISC framework is working as intended.

What is more, even where managers do disclose, the nature of their reporting varies. Some disclose votes on all resolutions at all companies. Others only disclose votes against or abstentions – which makes it impossible to identify votes in favour if the underlying portfolio is not known. Still others disclose only the most basic headline statistics. As an illustration of the confusion resulting from the voluntary disclosure regime, it is worth looking at Table 25 on page 31 of the IMA’s latest engagement survey<sup>8</sup>. There are at least ten different approaches to disclosure (including disclosing no data at all). There is also a wide variety of approaches to the timeliness of disclosure.

The patchy nature of disclosure is significant for two reasons. The first relates to the financial crisis. As it stands, it is simply not possible to tell the full story of institutional shareholders’ engagement with the banks, because there is not sufficient data in the public domain. Certainly it will not be possible for the Walker Review of Corporate Governance in the Banking Industry<sup>9</sup> (henceforth Walker Review) to form a full picture of “the role of institutional shareholders in engaging effectively with companies and monitoring of boards” based on what is currently disclosed publicly. If we want to understand the role of shareholders before and during the crisis, the case for mandatory disclosure of voting data is clear.

Secondly, if we accept that the way institutions exercise ownership is an important part of their role and, in the case of fund managers, their responsibility to their clients, access to comparative data is vital. It would not be acceptable for fund managers to report the performance of only some of their investments, or to report investment performance at a time and in the manner of their choosing (for example, reporting only positively performing investments). Similarly, it is clearly not acceptable for companies to decide what information to provide to shareholder on issues such as remuneration, or for them to decide that they will disclose nothing. In both cases the need to disclose prescribed information in a given timeframe is fully accepted. It is therefore not clear why the industry considers that it is acceptable for a key part of its ‘ownership’ performance to be disclosed in a non-standardised way.

---

<sup>7</sup> [www.investmentuk.org/press/2009/20090520-2-01.pdf](http://www.investmentuk.org/press/2009/20090520-2-01.pdf)

<sup>8</sup> *ibid*

<sup>9</sup> [www.hm-treasury.gov.uk/walker\\_review\\_information.htm](http://www.hm-treasury.gov.uk/walker_review_information.htm)

To argue that a voluntary approach to disclosure of the exercise of voting rights is sufficient demonstrates the continuing lack of seriousness attached to such activity. The implicit message is that this aspect of economic activity is not on a par with company results, or fund managers' trading. If we want shareholders to take their ownership responsibilities seriously, they must be accountable for their actions. Making disclosure mandatory would send a clear message to industry about the need to make considered use of their ownership rights.

Given the scale and importance of the financial crisis, and the widely held belief that a lack of shareholder oversight was a contributory factor to it, the TUC believes the case for mandatory disclosure is overwhelming. Indeed if we cannot act now, it is difficult to see what scale of disaster would be required before the investment industry concluded that it was reasonable to require full transparency. We therefore urge the Government to exercise the reserve power taken in the Companies Act.

In the meantime the TUC will continue to carry out research into the voting policies and practices of institutional investors in order to encourage a greater level of transparency in the industry.

## The survey

The survey consisted of two sections. The first asked for voting and engagement records on a range of items at AGMs from July 2007 to July 2008. A list of the 59 resolutions can be found in Section One. The second section featured a set of questions about the policies of institutional investors. The questions and summary of responses can be found in Section Two of the report.

### **Process**

The voting survey and a covering letter were sent out to fund managers with a deadline of 1st May for responses. Follow up calls were made to remind recipients of the deadline. The list of resolutions was also sent to members of the TUC's Member Trustee Network to encourage trustees to ask their fund managers for their voting records.

### **Response**

A total of 16 fund managers provided responses to the survey including voting data. They were: Aviva Investors; CCLA; Co-operative Insurance Society; F&C Investments; Fidelity International; Hermes; Henderson Global Investors; Insight Investment; JP Morgan Asset Management; Lazard Asset Management; M&G Investments; Newton; Scottish Widows Investment Partnership; Standard Life Investments; States Street Global Advisors; Trilogy Global Advisors.

The TUC believes that by disclosing voting decisions these fund managers have set a standard for others. We welcome the commitment of these fund managers to transparency and hope that trustees also recognise the willingness of these managers to be open and accountable.

The TUC has again this year also received information from some of the larger pension funds including the Universities Superannuation Scheme, Railpen, Environment Agency Pension Fund and British Airways Pensions Investment Management. We are very grateful to those pension funds which responded to the survey.

Of the two voting agencies asked for voting recommendations, PIRC Ltd provided a full response.

Once again this year a number of survey respondents only provided answers to Part Two of the survey. A total of 29 organisations failed to respond or declined to take part in the survey. A list of the organizations surveyed and the nature of their responses can be found in the Appendix.

### **Reading the results**

As we continue to stress, trustees should be aware that there is not always a 'right' way to vote on issues covered in the section on voting records. Investors may well be able to give a reasonable justification for voting in favour of a controversial item where an abstention or a vote against may have seemed more appropriate. Votes in favour of management proposals should not necessarily be seen as a

failure to engage properly with investee companies and raise legitimate concerns with incumbent management.

That said, the TUC survey illustrates clear differences between managers over the exercising of voting rights on a range of issues. We hope the information provided will improve the ability of trustees to make informed views on fund managers' relationships with investee companies.

We have included information on engagement activity relating to the votes covered in the survey. As with last year, much of the information is quite limited but hopefully it will give trustees some indication of the level and type of activity undertaken.



## Section one - Voting and Engagement Records

### List of voting items

Section one of the survey asked respondents how they voted and engaged on issues at AGMs in 2007 and 2008 listed below.

Company	Date of meeting	Resolution (resolution number)
Alliance & Leicester	13 May 2008	Approve the directors' remuneration report (8)
AstraZeneca	24 April 2008	To approve the directors' remuneration report (6)
Barclays Plc	24 April 1008	Approve the remuneration report (2)
Berkeley	5 Sept 2007	To approve the directors' remuneration report (2)
		To approve amendments to the Articles of Association (9)
		To amend the Berkeley Group Holdings Plc 2004 (b) Long Term Incentive Plan (10)
		To amend the Berkeley Group Holdings Plc 2007 Long Term Incentive Plan (11)
BP	17 April 2008	To approve the directors' remuneration report (2)
		To re-elect as director Dr DeAnne Julius (13)
		To re-elect as director Sir Tom McKillop (14)
		To re-elect as director Sir Ian Prosser (15)
Bradford & Bingley	22 April 2008	To re-elect as director Erroll Davies (8)
		Amend the Executive Incentive Plan 2004 (15)
B Sky B	2 Nov 2007	To re-elect as a director, Rupert Murdoch (5)
Carphone Warehouse	26 July 2007	To approve the directors' remuneration report (2)
Carnival	22 April 08	To re-elect Richard Capen Jr as director of Carnival Corporation and as a director of Carnival plc (2)
		To re-elect Robert Dickinson as director of Carnival Corporation and as a director of Carnival plc (3)
		To re-elect Modesto Maidique as director of Carnival Corporation and as a director of Carnival plc (8)
		To re-elect Peter Ratcliffe as director of Carnival Corporation and as a director of Carnival plc (10)
		To re-elect Uzi Zucker as director of Carnival Corporation and as a director of Carnival plc (13)
Compass Group	8 Feb 2008	To approve the directors' remuneration report (2)
Daejan Holdings	26 Oct 2007	To approve the accounts (1)
		To approve the remuneration report (2)
		To re-elect as director David Davis (4)
Diageo	16 Oct 2007	To approve the remuneration report (2)
Dimension Data	30 Jan 2008	To approve the remuneration report (3)
Lonmin	24 Jan 2008	Approve remuneration report (2)
Glaxo Smith Kline	21 May 2008	Approve remuneration report (2)

Company	Date of meeting	Resolution (resolution number)
HBOS	29 April 2008	Approve the Remuneration Report (10)
Helpshire Group	15 Nov 2007	To authorise directors to utilise part of the authority granted pursuant to resolution 8 and 9 to allot equity up to GBP 69,000 to trustees of any trust, or any other body established exclusively for the purposes recognised as charitable under English laws (10)
HSBC Holdings	30 May 2008	Approve the Remuneration Report (2)
Lloyds TSB Group	8 May 2008	Approve the Remuneration Report (2)
Marks & Spencer	9 July 2008	To re-elect as a director, Sir Stuart Rose (6)
Northern Rock	15 Jan 2008	To replace the directors' existing authority to allot shares with an authority to allot a lower number of shares (1)
		To replace the directors' existing authority to issue shares on a non pre-emptive basis with an authority to issue a lower number of shares on a non pre-emptive basis (2)
		To amend the Articles of Association to prevent disposals or acquisitions of assets and to prevent the Company taking action which would permit disposals or acquisitions of assets by other group companies, above specified thresholds (3)
		To require the Company to take action to prevent the disposal, transfer or issue of shares or any other changes to the capital structure of other members of the Company's group (4)
Reckitt Benckiser	4 Oct 2007 (EGM)	Approve Reckitt Benckiser Group 2007 Senior Executive Share Ownership Policy Plan (5)
		Approve Reckitt Benckiser Group 2007 Long Term Incentive Plan (9)
Royal Bank of Scotland	10 Aug 2007 (EGM)	Approve Acquisition of ABN AMRO (1)
	23 April 2008	Approve the Remuneration Report (2)
Royal Dutch Shell	20 May 2008	Approve remuneration report (2)
		Amend Royal Dutch Shell plc restricted share plan (14)
J Sainsbury	11 July 2007	Approve remuneration report (2)
Sports Direct	10 Sept 2007	To elect as directors Mike Ashley (3)
Standard Chartered	7 May 2008	Approve remuneration Report (2)
Tesco	27 June 2008	Approve remuneration Report (2)
		Resolve that the company sets a commitment to take appropriate measures to ensure that chickens purchased for sale are produced in systems capable of providing the five freedoms (17)
Tomkins	1 May 2008	Approve remuneration report (2)
Travis Perkins	13 May 2008	Approval of remuneration report (7)
United Business Media	13 May 2008	Approve remuneration report (2)
	2 June 2008	Authorise directors to carry scheme into effect; approve reduction and subsequent increase in share capital; capitalise reserves to United Business Media Limited; authorise issue of equity with rights up to GBP 85,000,000; amend articles of association (1)
		Approve reduction of the nominal value of each issued Ordinary Share in the capital of New UBM from 33 71/88 pence each to 10 pence each; approve reduction of the entire amount standing to the credit of new UBM's share premium account (2)
		Approve delisting of the Ordinary Shares from the Official List (4)

Company	Date of meeting	Resolution (resolution number)
		Approve reduction of B share capital; approve delisting of B shares from the Official List (5)
United Utilities	25 July 2008	Approve remuneration report (2)
Xstrata	6 May 2008	Approve remuneration report (3)
		Re-election of Willy Strothotte to the Board (4)
		Amend the Xstrata added value incentive plan (13)

In the rest of this section, two sets of data are provided. Firstly, the records of individual respondents which provided both voting and engagement data are provided in full. Secondly, all voting decisions or recommendations obtained are collated in a single table, to enable easy comparison.

Company	Date of meeting	Resolution (resolution number)	Inte rest held at mee ting date Yes/ No						
				For	Against	Withheld	Phone calls	Letters	Meetings
Alliance & Leicester	13 May 2008	Remuneration report	Y	X				1	
AstraZeneca	24 April 2008	Remuneration report	Y			X			
Barclays Plc	24 April 2008	Remuneration report	Y	X			1		
Berkeley	5 Sept 2007	Remuneration report	Y		X		1		
		Amend Articles of Association		X					
		Amend 2004 (b) LTIP		X					
		Amend 2007 LTIP			X		1		
BP	17 April 2008	Remuneration report	Y			X	1		1
		Re-elect Dr DeAnne Julius		X					
		Re-elect Sir Tom McKillop		X					
		Re-elect Sir Ian Prosser		X					
		Re-elect Erroll Davies		X					
Bradford & Bingley	22 April 2008	Amend Incentive Plan 2004	Y	X					
B Sky B	2 Nov 2007	Re-elect Rupert Murdoch	Y		X				
Carphone Warehouse	26 July 2007	Remuneration report	Y		X				
Carnival	22 April 08	Re-elect Richard Capen Jr	Y		X		1		
		Re-elect Robert Dickinson		X			1		
		Re-elect Modesto Maidique			X		1		
		Re-elect Peter Ratcliffe		X			1		
		Re-elect Uzi Zucker			X		1		
Compass Group	8 Feb 2008	Remuneration report	Y	X					
Daejan Holdings	26 Oct 2007	Approve the accounts	Y		X				
		Remuneration report			X				
		Re-elect David Davis			X				
Diageo	16 Oct 2007	Remuneration report	Y	X		2			
Dimension Data	30 Jan 2008	Remuneration report	Y		X				
Lonmin	24 Jan 2008	Remuneration report	Y	X			1		
Glaxo Smith Kline	21 May 2008	Remuneration report	Y			X	1		
HBOS	29 April 2008	Remuneration report	Y		X			1	
Helphire Group	15 Nov 2007	To authorise directors to allot equity up to GBP 69,000 to trustees of any trust, or any other body established exclusively for the purposes recognised as charitable under English laws	Y		X				
HSBC Holdings	30 May 2008	Remuneration report	Y			X	1		1
Lloyds TSB Group	8 May 2008	Remuneration report	Y	X					
Marks & Spencer	9 July 2008**	Re-elect Sir Stuart Rose	Y	X			1		
Northern Rock	15 Jan 2008	To replace the directors' existing authority to allot shares with an authority to allot a lower number of shares	Y		X				

Company	Date of meeting	Resolution (resolution number)	Interest held at meeting date Yes/ No							
				For	Against	Withheld	Phone calls	Letters	Meetings	
		To replace the directors' existing authority to issue shares on a non pre-emptive basis with an authority to issue a lower number of shares on a non pre-emptive basis			X					
		To amend the Articles of Association to prevent disposals or acquisitions of assets and to prevent the Company taking action which would permit disposals or acquisitions of assets by other group companies, above specified thresholds			X					
		To require the Company to take action to prevent the disposal, transfer or issue of shares or any other changes to the capital structure of other members of the Company's group			X					
Reckitt Benckiser	4 Oct 2007 (EGM)	Approve Share Ownership Policy Plan	Y	X						
		Approve Group 2007 LTIP				X	1			
Royal Bank of Scotland	10 Aug 2007 (EGM)	Approve ABN AMRO Acquisition	Y	X						1
	23 April 2008	Remuneration report	Y	X						1
Royal Dutch Shell	20 May 2008	Remuneration report	Y		X		2			
		Amend plc restricted share plan	Y		X		2			
J Sainsbury	11 July 2007	Remuneration report	Y			X				
Sports Direct	10 Sept 2007	Elect Mike Ashley	Y		X					
Standard Chartered	7 May 2008	Remuneration Report	Y		X					
Tesco	27 June 2008	Remuneration Report	Y	X			2			
		Resolve that the company sets a commitment to take appropriate measures to ensure that chickens purchased for sale are produced in systems capable of providing the five freedoms				X	2			1
Tomkins	1 May 2008	Remuneration report	Y		X		1			
Travis Perkins	13 May 2008	Remuneration report	Y	X						
United Business Media	13 May 2008	Remuneration report	Y	X			1	2		
	2 June 2008	Authorise directors to carry scheme into effect; approve reduction and subsequent increase in share capital; capitalise reserves to UBM; authorise issue of equity with rights up to GBP 85,000,000; amend articles of association	Y	X			1			
		Approve reduction of the nominal value of each issued Ordinary Share in the capital of New UBM from 33 71/88 pence each to 10 pence each; approve reduction of the entire amount standing to the credit of new UBM's share premium account		X			1			
		Approve delisting of the Ordinary Shares from Official List		X			1			
		Approve reduction of B share capital; approve delisting of B shares from the Official List		X			1			
United Utilities	25 July 2008	Remuneration report	Y			X				
Xstrata	6 May 2008	Remuneration report	Y		X					
		Re-elect Willy Strothotte			X					
		Amend the incentive plan			X					

**BA Pensions**

Company	Date of meeting	Resolution (resolution number)	Inte rest held at mee ting date Yes/ No						
				For	Against	Withheld	Phone calls	Letters	Meetings
Alliance & Leicester	13 May 2008	Remuneration report	N						
AstraZeneca	24 April 2008	Remuneration report	Y	X					
Barclays Plc	24 April 2008	Remuneration report	Y	X					
Berkeley	5 Sept 2007	Remuneration report	N						
		Amend Articles of Association							
		Amend 2004 (b) LTIP							
		Amend 2007 LTIP							
BP	17 April 2008	Remuneration report	Y	X			1		
		Re-elect Dr DeAnne Julius		X					
		Re-elect Sir Tom McKillop		X					
		Re-elect Sir Ian Prosser		X					
		Re-elect Erroll Davies		X					
Bradford & Bingley	22 April 2008	Amend Incentive Plan 2004	N						
B Sky B	2 Nov 2007	Re-elect Rupert Murdoch	Y	X					
Carphone Warehouse	26 July 2007	Remuneration report	N						
Carnival	22 April 08	Re-elect Richard Capen Jr	Y	X					
		Re-elect Robert Dickinson		X					
		Re-elect Modesto Maidique		X					
		Re-elect Peter Ratcliffe		X					
		Re-elect Uzi Zucker		X					
Compass Group	8 Feb 2008	Remuneration report	Y	X					
Daejan Holdings	26 Oct 2007	Approve the accounts	N						
		Remuneration report							
		Re-elect David Davis							
Diageo	16 Oct 2007	Remuneration report	Y	X					
Dimension Data	30 Jan 2008	Remuneration report	Y						
Lonmin	24 Jan 2008	Remuneration report	Y						
Glaxo Smith Kline	21 May 2008	Remuneration report	Y	X					
HBOS	29 April 2008	Remuneration report	Y	X					
Helphire Group	15 Nov 2007	To authorise directors to allot equity up to GBP 69,000 to trustees of any trust, or any other body established exclusively for the purposes recognised as charitable under English laws	Y						
HSBC Holdings	30 May 2008	Remuneration report	Y	X					
Lloyds TSB Group	8 May 2008	Remuneration report	Y	X					
Marks & Spencer	9 July 2008**	Re-elect Sir Stuart Rose	Y	X				1	
Northern Rock	15 Jan 2008	To replace the directors' existing authority to allot shares with an authority to allot a lower number of shares	N						

Company	Date of meeting	Resolution (resolution number)	Interest held at meeting date Yes/ No						
				For	Against	Withheld	Phone calls	Letters	Meetings
		To replace the directors' existing authority to issue shares on a non pre-emptive basis with an authority to issue a lower number of shares on a non pre-emptive basis							
		To amend the Articles of Association to prevent disposals or acquisitions of assets and to prevent the Company taking action which would permit disposals or acquisitions of assets by other group companies, above specified thresholds							
		To require the Company to take action to prevent the disposal, transfer or issue of shares or any other changes to the capital structure of other members of the Company's group							
Reckitt Benckiser	4 Oct 2007 (EGM)	Approve Share Ownership Policy Plan	Y	X					
		Approve Group 2007 LTIP		X					
Royal Bank of Scotland	10 Aug 2007 (EGM)	Approve ABN AMRO Acquisition	Y	X					2
	23 April 2008	Remuneration report	Y	X					
Royal Dutch Shell	20 May 2008	Remuneration report	Y	X					
		Amend plc restricted share plan	Y	X					
J Sainsbury	11 July 2007	Remuneration report	N						
Sports Direct	10 Sept 2007	Elect Mike Ashley	N						
Standard Chartered	7 May 2008	Remuneration Report	Y	X					
Tesco	27 June 2008	Remuneration Report	Y	X					
		Resolve that the company sets a commitment to take appropriate measures to ensure that chickens purchased for sale are produced in systems capable of providing the five freedoms			X				
Tomkins	1 May 2008	Remuneration report	Y	X					
Travis Perkins	13 May 2008	Remuneration report	N						
United Business Media	13 May 2008	Remuneration report	Y	X					
	2 June 2008	Authorise directors to carry scheme into effect; approve reduction and subsequent increase in share capital; capitalise reserves to UBM; authorise issue of equity with rights up to GBP 85,000,000; amend articles of association	Y	X					
		Approve reduction of the nominal value of each issued Ordinary Share in the capital of New UBM from 33 71/88 pence each to 10 pence each; approve reduction of the entire amount standing to the credit of new UBM's share premium account		X					
		Approve delisting of the Ordinary Shares from Official List		X					
		Approve reduction of B share capital; approve delisting of B shares from the Official List		X					
United Utilities	25 July 2008	Remuneration report	N						
Xstrata	6 May 2008	Remuneration report	Y	X					
		Re-elect Willy Strothotte			X				
		Amend the incentive plan		X					

**CCLA**

Company	Date of meeting	Resolution (resolution number)	Interest held at meeting date Yes/No						
				For	Against	Withheld	Phone calls	Letters	Meetings
Alliance & Leicester	13 May 2008	Remuneration report							
AstraZeneca	24 April 2008	Remuneration report			X			1	
Barclays Plc	24 April 2008	Remuneration report			X			1	
Berkeley	5 Sept 2007	Remuneration report							
		Amend Articles of Association							
		Amend 2004 (b) LTIP							
		Amend 2007 LTIP							
BP	17 April 2008	Remuneration report			X			1	
		Re-elect Dr DeAnne Julius		X					
		Re-elect Sir Tom McKillop		X					
		Re-elect Sir Ian Prosser		X					
		Re-elect Erroll Davies		X					
Bradford & Bingley	22 April 2008	Amend Incentive Plan 2004							
B Sky B	2 Nov 2007	Re-elect Rupert Murdoch		X					
Carphone Warehouse	26 July 2007	Remuneration report			X			1	
Carnival	22 April 08	Re-elect Richard Capen Jr			X			1	
		Re-elect Robert Dickinson		X					
		Re-elect Modesto Maidique			X			1	
		Re-elect Peter Ratcliffe				X		N/A	
		Re-elect Uzi Zucker			X			1	
Compass Group	8 Feb 2008	Remuneration report		X					
Daejan Holdings	26 Oct 2007	Approve the accounts							
		Remuneration report							
		Re-elect David Davis							
Diageo	16 Oct 2007	Remuneration report			X			1	
Dimension Data	30 Jan 2008	Remuneration report							
Lonmin	24 Jan 2008	Remuneration report							
Glaxo Smith Kline	21 May 2008	Remuneration report			X			1	
HBOS	29 April 2008	Remuneration report			X			1	
Helphire Group	15 Nov 2007	To authorise directors to allot equity up to GBP 69,000 to trustees of any trust, or any other body established exclusively for the purposes recognised as charitable under English laws							
HSBC Holdings	30 May 2008	Remuneration report			X			1	
Lloyds TSB Group	8 May 2008	Remuneration report							
Marks & Spencer	9 July 2008**	Re-elect Sir Stuart Rose				X		1	
Northern Rock	15 Jan 2008	To replace the directors' existing authority to allot shares with an authority to allot a lower number of shares							



Company	Date of meeting	Resolution (resolution number)	Interest held at meeting date Yes/No						
				For	Against	Withheld	Phone calls	Letters	Meetings
		To replace the directors' existing authority to issue shares on a non pre-emptive basis with an authority to issue a lower number of shares on a non pre-emptive basis							
		To amend the Articles of Association to prevent disposals or acquisitions of assets and to prevent the Company taking action which would permit disposals or acquisitions of assets by other group companies, above specified thresholds							
		To require the Company to take action to prevent the disposal, transfer or issue of shares or any other changes to the capital structure of other members of the Company's group							
Reckitt Benckiser	4 Oct 2007 (EGM)	Approve Share Ownership Policy Plan		X					
		Approve Group 2007 LTIP		X					
Royal Bank of Scotland	10 Aug 2007 (EGM)	Approve ABN AMRO Acquisition		X					
	23 April 2008	Remuneration report			X			1	
Royal Dutch Shell	20 May 2008	Remuneration report			X				
		Amend plc restricted share plan				X		1	
J Sainsbury	11 July 2007	Remuneration report							
Sports Direct	10 Sept 2007	Elect Mike Ashley							
Standard Chartered	7 May 2008	Remuneration Report			X			1	
Tesco	27 June 2008	Remuneration Report			X			1	
		Resolve that the company sets a commitment to take appropriate measures to ensure that chickens purchased for sale are produced in systems capable of providing the five freedoms		X				1	
Tomkins	1 May 2008	Remuneration report						1	
Travis Perkins	13 May 2008	Remuneration report							
United Business Media	13 May 2008	Remuneration report							
	2 June 2008	Authorise directors to carry scheme into effect; approve reduction and subsequent increase in share capital; capitalise reserves to UBM; authorise issue of equity with rights up to GBP 85,000,000; amend articles of association							
		Approve reduction of the nominal value of each issued Ordinary Share in the capital of New UBM from 33 71/88 pence each to 10 pence each; approve reduction of the entire amount standing to the credit of new UBM's share premium account							
		Approve delisting of the Ordinary Shares from Official List							
		Approve reduction of B share capital; approve delisting of B shares from the Official List							
United Utilities	25 July 2008	Remuneration report		X					
Xstrata	6 May 2008	Remuneration report				X		1	
		Re-elect Willy Strothotte		X					
		Amend the incentive plan			X			1	

Company	Date of meeting	Resolution (resolution number)	Interest held at meeting date Yes/No				Phone calls Letters Meetings (total amount of contact)
				For	Against	Withheld	
Alliance & Leicester	13 May 2008	Remuneration report	Y	X			1 letter, 1 meeting
AstraZeneca	24 April 2008	Remuneration report	Y		X		1 letter, 2 meetings, 1 call
Barclays Plc	24 April 2008	Remuneration report	Y	X			1 letter, 2 meetings
Berkeley	5 Sept 2007	Remuneration report	Y	X			1 letter, 1 meeting 1
		Amend Articles of Association		X			
		Amend 2004 (b) LTIP		X			
		Amend 2007 LTIP		X			
BP	17 April 2008	Remuneration report	Y	X			1 letter, 5 meetings, 1 call
		Re-elect Dr DeAnne Julius		X			
		Re-elect Sir Tom McKillop		X			
		Re-elect Sir Ian Prosser		X			
		Re-elect Erroll Davies		X			
Bradford & Bingley	22 April 2008	Amend Incentive Plan 2004	Y	X			1 letter
B Sky B	2 Nov 2007	Re-elect Rupert Murdoch	Y	X			1 letter
Carphone Warehouse	26 July 2007	Remuneration report	Y	X			1 letter
Carnival	22 April 08	Re-elect Richard Capen Jr	Y		X		2 letters
		Re-elect Robert Dickinson			X		
		Re-elect Modesto Maidique			X		
		Re-elect Peter Ratcliffe			X		
		Re-elect Uzi Zucker			X		
Compass Group	8 Feb 2008	Remuneration report	Y	X			2 letters
Daejan Holdings	26 Oct 2007	Approve the accounts	Y	X			1 letter
		Remuneration report		X			
		Re-elect David Davis		X			
Diageo	16 Oct 2007	Remuneration report	Y	X			1 letter
Dimension Data	30 Jan 2008	Remuneration report	Y	X			1 letter
Lonmin	24 Jan 2008	Remuneration report	Y	X			1 letter, 1 meeting
Glaxo Smith Kline	21 May 2008	Remuneration report	Y	X			1 meeting, 2 letters
HBOS	29 April 2008	Remuneration report	Y	X			2 meeting, 2 letters
Helphire Group	15 Nov 2007	To authorise directors to allot equity up to GBP 69,000 to trustees of any trust, or any other body established exclusively for the purposes recognised as charitable under English laws	Y	X			1 letter
HSBC Holdings	30 May 2008	Remuneration report	Y	X			5 meetings, 4 letters
Lloyds TSB Group	8 May 2008	Remuneration report	Y	X			1 letter, 1 meeting, 1 call
Marks & Spencer	9 July 2008**	Re-elect Sir Stuart Rose	Y	X			1 meeting, 2 letter

Company	Date of meeting	Resolution (resolution number)	Interest held at meeting date Yes/No				Phone calls Letters Meetings (total amount of contact)
				For	Against	Withheld	
Northern Rock	15 Jan 2008	To replace the directors' existing authority to allot shares with an authority to allot a lower number of shares	Y		X		1 letter
		To replace the directors' existing authority to issue shares on a non pre-emptive basis with an authority to issue a lower number of shares on a non pre-emptive basis			X		
		To amend the Articles of Association to prevent disposals or acquisitions of assets and to prevent the Company taking action which would permit disposals or acquisitions of assets by other group companies, above specified thresholds			X		
		To require the Company to take action to prevent the disposal, transfer or issue of shares or any other changes to the capital structure of other members of the Company's group			X		
Reckitt Benckiser	4 Oct 2007 (EGM)	Approve Share Ownership Policy Plan	Y	X			1 letter, 1 meeting
		Approve Group 2007 LTIP		X			
Royal Bank of Scotland	10 Aug 2007 (EGM)	Approve ABN AMRO Acquisition	Y	X			4 meetings, 4 letters
	23 April 2008	Remuneration report	Y	X			
Royal Dutch Shell	20 May 2008	Remuneration report	Y	X			1 letter, 3 meetings
		Amend plc restricted share plan	Y	X			
J Sainsbury	11 July 2007	Remuneration report	Y	X			1 letter, 1 meeting
Sports Direct	10 Sept 2007	Elect Mike Ashley	N	X			n/a
Standard Chartered	7 May 2008	Remuneration Report	Y	X			1 letter
Tesco	27 June 2008	Remuneration Report	Y	X			2 meetings, 2 calls, 2 letter
		Resolve that the company sets a commitment to take appropriate measures to ensure that chickens purchased for sale are produced in systems capable of providing the five freedoms				X	
Tomkins	1 May 2008	Remuneration report	Y			X	1 letter
Travis Perkins	13 May 2008	Remuneration report	Y	X			1 letter
United Business Media	13 May 2008	Remuneration report	Y	X			1 letter
	2 June 2008	Authorise directors to carry scheme into effect; approve reduction and subsequent increase in share capital; capitalise reserves to UBM; authorise issue of equity with rights up to GBP 85,000,000; amend articles of association	Y	X			
		Approve reduction of the nominal value of each issued Ordinary Share in the capital of New UBM from 33 71/88 pence each to 10 pence each; approve reduction of the entire amount standing to the credit of new UBM's share premium account		X			
		Approve delisting of the Ordinary Shares from Official List		X			
		Approve reduction of B share capital; approve delisting of B shares from the Official List		X			
United Utilities	25 July 2008	Remuneration report	N	X			n/a
Xstrata	6 May 2008	Remuneration report	Y	X			1 letter
		Re-elect Willy Strothotte		X			
		Amend the incentive plan		X			

**Hermes**

Company	Date of meeting	Resolution (resolution number)	Interest held at meeting date Yes/No						
				For	Against	Withheld	Phone calls	Letters	Meetings
Alliance & Leicester	13 May 2008	Remuneration report		X					
AstraZeneca	24 April 2008	Remuneration report		X				1	1
Barclays Plc	24 April 2008	Remuneration report		X					2
Berkeley	5 Sept 2007	Remuneration report		X			1		
		Amend Articles of Association		X			1		
		Amend 2004 (b) LTIP		X			1		
		Amend 2007 LTIP		X			1		
BP	17 April 2008	Remuneration report		X			3	3	2
		Re-elect Dr DeAnne Julius		X			3	3	2
		Re-elect Sir Tom McKillop		X			3	3	2
		Re-elect Sir Ian Prosser		X			3	3	2
		Re-elect Erroll Davies		X			3	3	2
Bradford & Bingley	22 April 2008	Amend Incentive Plan 2004		X					1
B Sky B	2 Nov 2007	Re-elect Rupert Murdoch			X		1		1
Carphone Warehouse	26 July 2007	Remuneration report		X					
Carnival	22 April 08	Re-elect Richard Capen Jr			X				
		Re-elect Robert Dickinson			X				
		Re-elect Modesto Maidique			X				
		Re-elect Peter Ratcliffe			X				
		Re-elect Uzi Zucker			X				
Compass Group	8 Feb 2008	Remuneration report		X					1
Daejan Holdings	26 Oct 2007	Approve the accounts			X				
		Remuneration report				X			
		Re-elect David Davis			X				
Diageo	16 Oct 2007	Remuneration report		X					1
Dimension Data	30 Jan 2008	Remuneration report			X			1	2
Lonmin	24 Jan 2008	Remuneration report		X				1	1
Glaxo Smith Kline	21 May 2008	Remuneration report		X					1
HBOS	29 April 2008	Remuneration report		X					2
Helphire Group	15 Nov 2007	To authorise directors to allot equity up to GBP 69,000 to trustees of any trust, or any other body established exclusively for the purposes recognised as charitable under English laws			X		1		
HSBC Holdings	30 May 2008	Remuneration report		X			1	2	1
Lloyds TSB Group	8 May 2008	Remuneration report		X					
Marks & Spencer	9 July 2008**	Re-elect Sir Stuart Rose		X				2	3
Northern Rock	15 Jan 2008	To replace the directors' existing authority to allot shares with an authority to allot a lower number of shares			X		1	1	1

Company	Date of meeting	Resolution (resolution number)	Interest held at meeting date Yes/No						
				For	Against	Withheld	Phone calls	Letters	Meetings
		To replace the directors' existing authority to issue shares on a non pre-emptive basis with an authority to issue a lower number of shares on a non pre-emptive basis			X		1	1	1
		To amend the Articles of Association to prevent disposals or acquisitions of assets and to prevent the Company taking action which would permit disposals or acquisitions of assets by other group companies, above specified thresholds			X		1	1	1
		To require the Company to take action to prevent the disposal, transfer or issue of shares or any other changes to the capital structure of other members of the Company's group			X		1	1	1
Reckitt Benckiser	4 Oct 2007 (EGM)	Approve Share Ownership Policy Plan		X					
		Approve Group 2007 LTIP		X					
Royal Bank of Scotland	10 Aug 2007 (EGM)	Approve ABN AMRO Acquisition		X			4	1	2
	23 April 2008	Remuneration report		X					2
Royal Dutch Shell	20 May 2008	Remuneration report		X				1	1
		Amend plc restricted share plan		X				1	1
J Sainsbury	11 July 2007	Remuneration report		X				1	1
Sports Direct	10 Sept 2007	Elect Mike Ashley		X			2		1
Standard Chartered	7 May 2008	Remuneration Report		X					
Tesco	27 June 2008	Remuneration Report			X			2	
		Resolve that the company sets a commitment to take appropriate measures to ensure that chickens purchased for sale are produced in systems capable of providing the five freedoms			X				2
Tomkins	1 May 2008	Remuneration report		X					
Travis Perkins	13 May 2008	Remuneration report		X					
United Business Media	13 May 2008	Remuneration report		X					1
	2 June 2008	Authorise directors to carry scheme into effect; approve reduction and subsequent increase in share capital; capitalise reserves to UBM; authorise issue of equity with rights up to GBP 85,000,000; amend articles of association		X				2	1
		Approve reduction of the nominal value of each issued Ordinary Share in the capital of New UBM from 33 71/88 pence each to 10 pence each; approve reduction of the entire amount standing to the credit of new UBM's share premium account		X				2	1
		Approve delisting of the Ordinary Shares from Official List		X				2	1
		Approve reduction of B share capital; approve delisting of B shares from the Official List		X				2	1
United Utilities	25 July 2008	Remuneration report		X					
Xstrata	6 May 2008	Remuneration report		X					
		Re-elect Willy Strothotte		X					
		Amend the incentive plan		X					

Company	Date of meeting	Resolution (resolution number)	Inte rest held at mee ting date Yes/ No							
				For	Against	Withheld	Phone calls	Letters	Meetings	
Alliance & Leicester	13 May 2008	Remuneration report		X						
AstraZeneca	24 April 2008	Remuneration report		X						
Barclays Plc	24 April 2008	Remuneration report		X						1
Berkeley	5 Sept 2007	Remuneration report		X				1	1	
		Amend Articles of Association		X						
		Amend 2004 (b) LTIP		X				1	1	
		Amend 2007 LTIP		X				1	1	
BP	17 April 2008	Remuneration report				X				
		Re-elect Dr DeAnne Julius		X						1
		Re-elect Sir Tom McKillop		X						
		Re-elect Sir Ian Prosser		X						
		Re-elect Erroll Davies		X						
Bradford & Bingley	22 April 2008	Amend Incentive Plan 2004		X						
B Sky B	2 Nov 2007	Re-elect Rupert Murdoch		X						
Carphone Warehouse	26 July 2007	Remuneration report		X						
Carnival	22 April 08	Re-elect Richard Capen Jr		X						
		Re-elect Robert Dickinson		X						
		Re-elect Modesto Maidique		X						
		Re-elect Peter Ratcliffe		X						
		Re-elect Uzi Zucker		X						
Compass Group	8 Feb 2008	Remuneration report		X						
Daejan Holdings	26 Oct 2007	Approve the accounts		X						
		Remuneration report		X						
		Re-elect David Davis		X						
Diageo	16 Oct 2007	Remuneration report		X						
Dimension Data	30 Jan 2008	Remuneration report			X					
Lonmin	24 Jan 2008	Remuneration report		X						
Glaxo Smith Kline	21 May 2008	Remuneration report		X					1	
HBOS	29 April 2008	Remuneration report		X				1	1	
Helphire Group	15 Nov 2007	To authorise directors to allot equity up to GBP 69,000 to trustees of any trust, or any other body established exclusively for the purposes recognised as charitable under English laws				X				
HSBC Holdings	30 May 2008	Remuneration report		X				1	1	
Lloyds TSB Group	8 May 2008	Remuneration report		X						
Marks & Spencer	9 July 2008**	Re-elect Sir Stuart Rose		X						
Northern Rock	15 Jan 2008	To replace the directors' existing authority to allot shares with an authority to allot a lower number of shares								

Company	Date of meeting	Resolution (resolution number)	Interest held at meeting date Yes/No						
				For	Against	Withheld	Phone calls	Letters	Meetings
		To replace the directors' existing authority to issue shares on a non pre-emptive basis with an authority to issue a lower number of shares on a non pre-emptive basis							
		To amend the Articles of Association to prevent disposals or acquisitions of assets and to prevent the Company taking action which would permit disposals or acquisitions of assets by other group companies, above specified thresholds							
		To require the Company to take action to prevent the disposal, transfer or issue of shares or any other changes to the capital structure of other members of the Company's group							
Reckitt Benckiser	4 Oct 2007 (EGM)	Approve Share Ownership Policy Plan		X					
		Approve Group 2007 LTIP		X					
Royal Bank of Scotland	10 Aug 2007 (EGM)	Approve ABN AMRO Acquisition		X					
	23 April 2008	Remuneration report		X					1
Royal Dutch Shell	20 May 2008	Remuneration report		X					
		Amend plc restricted share plan		X					
J Sainsbury	11 July 2007	Remuneration report		X					
Sports Direct	10 Sept 2007	Elect Mike Ashley		X					1
Standard Chartered	7 May 2008	Remuneration Report		X					
Tesco	27 June 2008	Remuneration Report		X				1	1
		Resolve that the company sets a commitment to take appropriate measures to ensure that chickens purchased for sale are produced in systems capable of providing the five freedoms			X				1
Tomkins	1 May 2008	Remuneration report		X					
Travis Perkins	13 May 2008	Remuneration report		X					
United Business Media	13 May 2008	Remuneration report				X			
	2 June 2008	Authorise directors to carry scheme into effect; approve reduction and subsequent increase in share capital; capitalise reserves to UBM; authorise issue of equity with rights up to GBP 85,000,000; amend articles of association		X					
		Approve reduction of the nominal value of each issued Ordinary Share in the capital of New UBM from 33 71/88 pence each to 10 pence each; approve reduction of the entire amount standing to the credit of new UBM's share premium account		X					
		Approve delisting of the Ordinary Shares from Official List		X					
		Approve reduction of B share capital; approve delisting of B shares from the Official List		X					
United Utilities	25 July 2008	Remuneration report		X					
Xstrata	6 May 2008	Remuneration report		X					
		Re-elect Willy Strothotte				X			
		Amend the incentive plan		X					





Company	Date of meeting	Resolution (resolution number)	Interest held at meeting date Yes/No						
				For	Against	Withheld	Phone calls	Letters	Meetings
		To replace the directors' existing authority to issue shares on a non pre-emptive basis with an authority to issue a lower number of shares on a non pre-emptive basis							
		To amend the Articles of Association to prevent disposals or acquisitions of assets and to prevent the Company taking action which would permit disposals or acquisitions of assets by other group companies, above specified thresholds							
		To require the Company to take action to prevent the disposal, transfer or issue of shares or any other changes to the capital structure of other members of the Company's group							
Reckitt Benckiser	4 Oct 2007 (EGM)	Approve Share Ownership Policy Plan		X					1
		Approve Group 2007 LTIP		X					
Royal Bank of Scotland	10 Aug 2007 (EGM)	Approve ABN AMRO Acquisition		X					1
	23 April 2008	Remuneration report		X					
Royal Dutch Shell	20 May 2008	Remuneration report		X					1
		Amend plc restricted share plan		X					
J Sainsbury	11 July 2007	Remuneration report		X					1
Sports Direct	10 Sept 2007	Elect Mike Ashley							
Standard Chartered	7 May 2008	Remuneration Report		X					1
Tesco	27 June 2008	Remuneration Report		X					1
		Resolve that the company sets a commitment to take appropriate measures to ensure that chickens purchased for sale are produced in systems capable of providing the five freedoms			X				1
Tomkins	1 May 2008	Remuneration report		X					1
Travis Perkins	13 May 2008	Remuneration report		X					1
United Business Media	13 May 2008	Remuneration report		X					1
	2 June 2008	Authorise directors to carry scheme into effect; approve reduction and subsequent increase in share capital; capitalise reserves to UBM; authorise issue of equity with rights up to GBP 85,000,000; amend articles of association		X					
		Approve reduction of the nominal value of each issued Ordinary Share in the capital of New UBM from 33 71/88 pence each to 10 pence each; approve reduction of the entire amount standing to the credit of new UBM's share premium account		X					
		Approve delisting of the Ordinary Shares from Official List		X					
		Approve reduction of B share capital; approve delisting of B shares from the Official List		X					
United Utilities	25 July 2008	Remuneration report		X					1
Xstrata	6 May 2008	Remuneration report		X					1
		Re-elect Willy Strothotte		X					
		Amend the incentive plan		X					

**Standard Life**

Company	Date of meeting	Resolution (resolution number)	Interest held at meeting date Yes/ No						
				For	Against	Withheld	Phone calls	Letters	Meetings
Alliance & Leicester	13 May 2008	Remuneration report	Y	X			0	0	0
AstraZeneca	24 April 2008	Remuneration report	Y			X	1	1	0
Barclays Plc	24 April 2008	Remuneration report	Y			X	1	2	1
Berkeley	5 Sept 2007	Remuneration report	N				0	0	0
		Amend Articles of Association					0	0	0
		Amend 2004 (b) LTIP					0	0	0
		Amend 2007 LTIP					0	0	0
BP	17 April 2008	Remuneration report	Y		X		2	3	0
		Re-elect Dr DeAnne Julius				X	2	3	0
		Re-elect Sir Tom McKillop				X	2	3	0
		Re-elect Sir Ian Prosser				X	2	3	0
		Re-elect Erroll Davies				X	2	3	0
Bradford & Bingley	22 April 2008	Amend Incentive Plan 2004	Y			X	2	1	1
B Sky B	2 Nov 2007	Re-elect Rupert Murdoch	Y	X			1	0	0
Carphone Warehouse	26 July 2007	Remuneration report	N				0	0	0
Carnival	22 April 08	Re-elect Richard Capen Jr	Y	X			0	0	0
		Re-elect Robert Dickinson		X			0	0	0
		Re-elect Modesto Maidique		X			0	0	0
		Re-elect Peter Ratcliffe		X			0	0	0
		Re-elect Uzi Zucker		X			0	0	0
Compass Group	8 Feb 2008	Remuneration report	Y	X			0	0	0
Daejan Holdings	26 Oct 2007	Approve the accounts	N				0	0	0
		Remuneration report					0	0	0
		Re-elect David Davis					0	0	0
Diageo	16 Oct 2007	Remuneration report	Y			X	2	0	0
Dimension Data	30 Jan 2008	Remuneration report	Y	X			1	0	0
Lonmin	24 Jan 2008	Remuneration report	Y	X			0	0	0
Glaxo Smith Kline	21 May 2008	Remuneration report	Y	X			0	3	0
HBOS	29 April 2008	Remuneration report	Y	X			0	2	2
Helphire Group	15 Nov 2007	To authorise directors to allot equity up to GBP 69,000 to trustees of any trust, or any other body established exclusively for the purposes recognised as charitable under English laws	Y		X		1	1	0
HSBC Holdings	30 May 2008	Remuneration report	Y		X		0	1	0
Lloyds TSB Group	8 May 2008	Remuneration report	Y	X			0	2	0
Marks & Spencer	9 July 2008**	Re-elect Sir Stuart Rose	Y	X			0	2	1
Northern Rock	15 Jan 2008	To replace the directors' existing authority to allot shares with an authority to allot a lower number of shares	N				0	0	0

Company	Date of meeting	Resolution (resolution number)	Interest held at meeting date Yes/ No						
				For	Against	Withheld	Phone calls	Letters	Meetings
		To replace the directors' existing authority to issue shares on a non pre-emptive basis with an authority to issue a lower number of shares on a non pre-emptive basis					0	0	0
		To amend the Articles of Association to prevent disposals or acquisitions of assets and to prevent the Company taking action which would permit disposals or acquisitions of assets by other group companies, above specified thresholds					0	0	0
		To require the Company to take action to prevent the disposal, transfer or issue of shares or any other changes to the capital structure of other members of the Company's group					0	0	0
Reckitt Benckiser	4 Oct 2007 (EGM)	Approve Share Ownership Policy Plan	Y	X			0	0	0
		Approve Group 2007 LTIP		X			0	0	0
Royal Bank of Scotland	10 Aug 2007 (EGM)	Approve ABN AMRO Acquisition	Y	X			0	2	0
	23 April 2008	Remuneration report	Y	X			0	0	2
Royal Dutch Shell	20 May 2008	Remuneration report	Y		X		0	0	1
		Amend plc restricted share plan	Y		X		0	0	1
J Sainsbury	11 July 2007	Remuneration report	N				0	0	0
Sports Direct	10 Sept 2007	Elect Mike Ashley	Y	X			1	0	0
Standard Chartered	7 May 2008	Remuneration Report	Y			X	0	1	0
Tesco	27 June 2008	Remuneration Report	Y	X			2	0	0
		Resolve that the company sets a commitment to take appropriate measures to ensure that chickens purchased for sale are produced in systems capable of providing the five freedoms			X		2	0	0
Tomkins	1 May 2008	Remuneration report	Y	X			0	0	0
Travis Perkins	13 May 2008	Remuneration report	Y	X			0	1	0
United Business Media	13 May 2008	Remuneration report	Y	X			1	1	0
	2 June 2008	Authorise directors to carry scheme into effect; approve reduction and subsequent increase in share capital; capitalise reserves to UBM; authorise issue of equity with rights up to GBP 85,000,000; amend articles of association	Y	X			1	1	0
		Approve reduction of the nominal value of each issued Ordinary Share in the capital of New UBM from 33 71/88 pence each to 10 pence each; approve reduction of the entire amount standing to the credit of new UBM's share premium account		X			1	1	0
		Approve delisting of the Ordinary Shares from Official List		X			1	1	0
		Approve reduction of B share capital; approve delisting of B shares from the Official List		X			1	1	0
United Utilities	25 July 2008	Remuneration report	Y	X			0	0	0
Xstrata	6 May 2008	Remuneration report	Y		X		1	0	1
		Re-elect Willy Strothotte		X			1	0	1
		Amend the incentive plan			X		1	0	1

## Voting results for all respondents

Company	Date of meeting	Resolution (resolution number)	Aviva	BA Pens.	CCIA	CIS	F&C	Fidelity	Hermes	Henderso	Insight	JP Morgan	Lazard	M&G	Newton	PIRC	Railpen	SWP	Stand. Life	State Street	Trilogy	USS	
Alliance & Leicester	13/05/08	Remuneration report	F	N	N	F	F	F	F	F	F	F	N	F	F	A	F	N	F	F	N		
	24/04/08	Remuneration report	A	F	O	O	O	F	F	F	F	F	N	F	F	O	A	F	A	F	N	O	
AstraZeneca	24/04/08	Remuneration report	F	F	O	O	F	F	F	F	F	F	F	F	F	O	O	F	A	F	N		
	5/09/07	Remuneration report	O	N	N	O	F	F	F	F	F	F	N	F	O	O	O	F	N	F	N	O	
Barclays Plc		Amend Articles of Association	F	N	N	A	F	F	F	F	F	F	N	F	O	F	F	F	N	F	N	A	
		Amend 2004 (b) LTIP	F	N	N	A	F	F	F	F	F	F	N	F	O	A	F	F	N	F	N	O	
		Amend 2007 LTIP	O	N	N	O	F	F	F	F	F	F	N	F	O	O	O	F	N	F	N	O	
BP	17/04/08	Remuneration report	A	F	O	O	F	F	F	F	F	F	A	F	F	O	O	F	O	A	N	F	
		Re-elect Dr DeAnne Julius	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	A	F	N	F
		Re-elect Sir Tom McKillop	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	A	F	N	F
		Re-elect Sir Ian Prosser	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	A	F	N	F
		Re-elect Erroll Davies	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	A	F	N	F
Bradford & Bingley	22/04/08	Amend Incentive Plan 2004	F	N	N	F	F	F	F	F	F	F	N	F	F	O	A	N	A	F	N	O	
	2/11/07	Re-elect Rupert Murdoch	O	F	F	F	F	F	O	F	F	F	N	F	F	O	F	N	F	F	F	O	
Carphone Warehouse	26/07/07	Remuneration report	O	N	O	A	F	F	F	F	F	F	F	F	F	A	O	N	N	F	N	A	
	22/04/08	Re-elect Richard Capen Jr	O	F	O	O	O	F	O	F	F	F	N	F	O	A	O	F	F	F	N	O	
Carnival		Re-elect Robert Dickinson	F	F	F	A	O	F	O	F	F	F	N	F	F	F	O	F	F	F	N	A	
		Re-elect Modesto Maidique	O	F	O	O	O	F	O	F	F	F	N	F	O	A	O	F	F	F	N	O	
		Re-elect Peter Ratcliffe	F	F	A	F	O	F	O	F	F	F	N	F	F	A	O	F	F	F	N	F	
		Re-elect Uzi Zucker	O	F	O	O	O	F	O	F	F	F	N	F	F	A	O	F	F	F	N	O	
	8/02/08	Remuneration report	F	F	F	F	F	F	F	F	F	F	N	F	F	A	F	F	F	F	N	F	
Compass Group	26/10/07	Approve the accounts	O	N	N	O	F	F	O	F	O	F	N	N	N	O	F	N	N	F	N	F	
		Remuneration report	O	N	N	O	F	F	A	F	F	F	N	N	N	A	O	N	N	O	N	O	
		Re-elect David Davis	O	N	N	O	F	F	O	F	F	F	N	N	N	O	F	N	N	O	N	O	
Diageo	16/10/07	Remuneration report	F	F	O	O	F	F	F	F	F	F	F	F	F	O	O	F	A	F	F	O	
	30/01/08	Remuneration report	O	N	N	O	F	O	O	F	F	O	N	F	N	O	O	N	F	N	N	O	
Dimension Data	24/01/08	Remuneration report	F	N	N	A	F	F	F	F	F	F	N	F	N	O	O	N	F	N	N	O	
	24/01/08	Remuneration report	F	N	N	A	F	F	F	F	F	F	N	F	N	O	O	F	F	F	F	A	
Lonmin	24/01/08	Remuneration report	F	N	N	A	F	F	F	F	F	F	N	F	N	O	O	N	F	N	N	O	
	21/05/08	Remuneration report	A	F	O	O	F	F	F	F	F	F	F	F	O	O	O	F	F	F	F	A	
Glaxo Smith Kline	21/05/08	Remuneration report	A	F	O	O	F	F	F	F	F	F	F	F	O	O	O	F	F	F	F	O	
		Remuneration report	A	F	O	O	F	F	F	F	F	F	F	F	O	O	O	F	F	F	F	O	

Company	Date of meeting	Resolution (resolution number)	Aviva	BA	CCIA	CIS	F&C	Fidelity	Hermes	Hender	Insight	JP	Lazard	M&G	Newto	PIRC	Railpen	SWIP	Stand.	State	Street	Trilogy	USS
HBOS	29/04/08	Remuneration report	O	F	O	O	F	F	F	F	F	F	F	F	F	A	O	F	F	F	F	N	O
Helphire Group	15/11/07	To authorise directors to allot equity to trustees of any trust, or other body established for purposes recognised as charitable under English laws	O	N	N	F	F	F	O	F	F	A	N	O	O	F	O	N	O	O	O	N	F
HSBC Holdings	30/05/08	Remuneration report	A	F	O	A	F	F	F	F	F	F	F	F	O	O	O	A	O	F	F	N	F
Lloyds TSB Group	8/05/08	Remuneration report	F	F	N		F	F	F	F	F	F	F	F	F	A	A	F	F	F	F	N	A
Marks & Spencer	9/07/08	Re-elect Sir Stuart Rose	F	F	A	A	F	A	F	A	F	F	F	F	A	O	F	O	F	F	F	N	F
Northern Rock	15/01/08	To replace the directors' existing authority to allot shares with an authority to allot a lower number	O	N	N	A	O	F	O	F	O	N	N	N	F	A	F	N	N	N	N	N	O
		To replace the directors' existing authority to issue shares on a non pre-emptive basis with an authority to issue a lower number	O	N	N	A	O	F	O	F	O	N	N	N	N	F	F	N	N	N	N	N	O
		To amend the Articles of Association to prevent disposals or acquisitions of assets and to prevent the Company taking action which would permit disposals or acquisitions of assets by other group companies, above specified thresholds	O	N	N	A	O	F	O	F	O	N	N	N	N	F	A	F	N	N	N	N	O
		To require the Company to take action to prevent the disposal, transfer or issue of shares or any other changes to the capital structure of other members of the Company's group	O	N	N	A	O	F	O	F	O	N	N	N	N	F	A	F	N	N	N	N	O
Reckitt Benckiser	4/10/07 (EGM)	Approve Share Ownership Policy Plan	F	F	F	A	F	F	F	F	F	F	F	F	O	A	F	F	F	F	F	N	A
		Approve Group 2007 LTIP	A	O	F	O	F	F	F	F	F	F	O	F	O	O	O	F	F	F	O	N	O
Royal Bank of Scotland	10/08/07 (EGM)	Approve ABN AMRO Acquisition	F	F	F	O	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	N	F
	23/04/08	Remuneration report	F	F	O	O	F	O	F	F	F	F	F	F	F	O	O	F	F	F	F	N	O
Royal Dutch Shell	20/05/08	Remuneration report	O	F	O	O	F	F	F	F	F	F	F	F	O	O	O	F	O	F	F	N	A
		Amend plc restricted share plan	O	F	A	O	F	F	F	F	F	F	F	F	F	O	O	F	O	A	A	N	A
J Sainsbury	11/07/07	Remuneration report	A	N	N	A	F	F	F	F	F	F	N	F	F	O	F	N	N	F	F	N	F
Sports Direct	10/09/07	Elect Mike Ashley	O	N	N	N	N	F	F	F	F	F	N	N	N	A	A	N	F	F	F	N	F

Company	Date of meeting	Resolution (resolution number)	Aviva	BA	CCLA	CIS	F&C	Fidelity	Hermes	Hender	Insight	JP Morgan	Lazard	M&G	Newton	PIRC	Railpen	SWIP	Stand. Life	State Street	Trilogy	USS	
Standard Chartered	7/05/08	Remuneration Report	O	F	O	A	F	F	F	F	F	F	F	F	F	O	O	F	A	F	N	A	
Tesco	27/08/08	Remuneration Report	F	F	O	O	F	F	O	F	F	F	F	F	O	O	O	F	F	F	N	A	
		Resolve that the company sets a commitment to take appropriate measures to ensure that chickens purchased for sale are produced in systems capable of providing the five freedoms	A	O	F	A	A	O	*	O	O	O	O	O	O	F	O	F	O	O	O	N	A
Tomkins	1/05/08	Remuneration report	O	F	O	O	A	F	F	F	F	F	N	F	O	F	O	N	F	F	N	O	
Travis Perkins	13/05/08	Remuneration report	F	N	N	A	F	F	F	F	F	F	N	F	F	A	O	N	F	F	N	A	
United Business Media	13/05/08	Remuneration report	F	F	N	A	F	F	F	F	F	A	N	F	N	O	O	F	F	A	N	A	
	2/06/08	Authorise directors to carry scheme into effect; approve reduction and subsequent increase in share capital; capitalise reserves to UBM; authorise issue of equity with rights up to GBP 85,000,000; amend articles of association	F	F	N	F	F	F	F	F	F	F	N	F	N	F	F	F	F	F	F	N	F
		Approve reduction of the nominal value of each issued Ordinary Share in the capital of New UBM from 33 71/88 pence each to 10 pence each; approve reduction of the entire amount standing to the credit of new UBM's share premium account	F	F	N	F	F	F	F	F	F	F	N	F	N	F	F	F	F	F	F	N	F
		Approve delisting of the Ordinary Shares from Official List	F	F	N	F	F	F	F	F	F	F	N	F	N	F	F	F	F	F	F	N	F
		Approve reduction of B share capital; approve delisting of B shares from the Official List	F	F	N	F	F	F	F	F	F	F	N	F	N	F	F	F	F	F	F	N	F
United Utilities	25/07/08	Remuneration report	A	N	F	F	N	F	F	F	F	F	F	F	F	A	O	F	F	F	N	F	
Xstrata	6/05/08	Remuneration report	O	F	A	O	F	F	F	F	F	F	F	F	O	O	O	F	O	F	F	A	
		Re-elect Willy Strothotte	O	O	F	F	F	F	F	F	F	F	A	O	F	F	O	F	F	F	A	A	F
		Amend the incentive plan	O	F	O	O	F	F	F	F	A	F	F	F	F	O	O	F	A	F	F	O	

Key

F – Vote For

O – Oppose

A - Abstain

N – No holding at time of vote

\*Shares were voted according to individual portfolio manager views, which included for, abstain and against

Note: In a small number of votes respondents have not provided a voting decision and not indicated whether they held shares. In these cases the record has been left blank.

## Investor voting analysis

The section below presents the data obtained by Part 1 of the survey graphically. For the analysis of voting by investor in all but one case (shareholder resolutions) the results are presented both in terms of the split in actual numbers of votes, for, against and abstains, and in proportion. The data is presented this way as in a small number of cases respondents held stock in only a limited number of the companies on which voting decisions were sought. Hence only displaying the proportionate split of voting decisions would provide a distorted picture.

### Remuneration reports

Figure 1. Voting on remuneration reports - number of votes

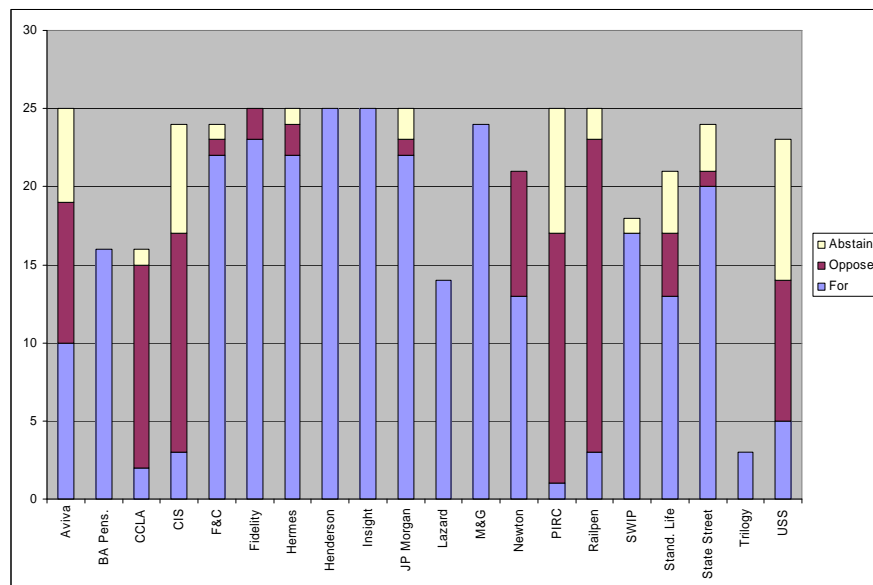


Figure 2. Voting on remuneration reports - proportion of votes

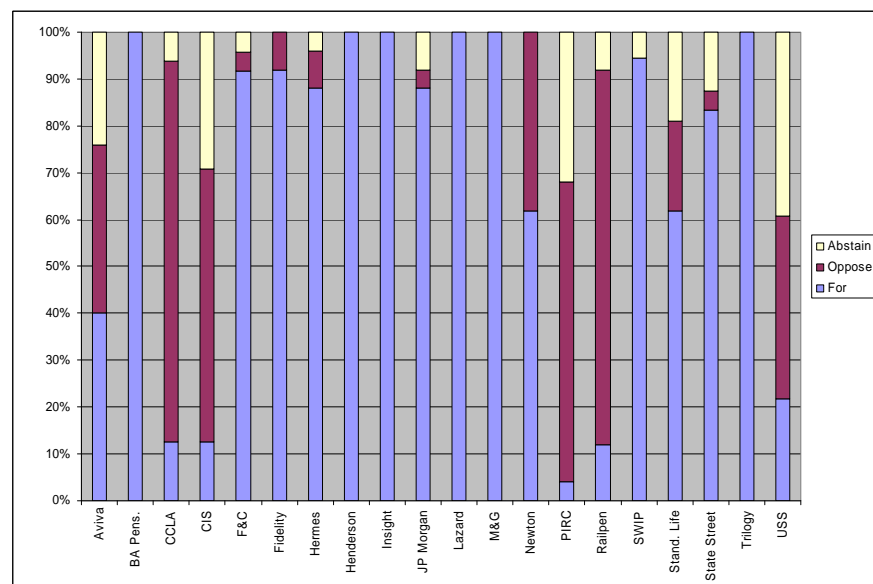


Figure 1 sets out way respondents voted on all remuneration reports at companies in which they hold stock. Figure 2 expresses the same data in terms of



proportionate split between votes for, against and abstains. It is notable that there is a wide divergence in the stance taken by respondents. At one end of the spectrum a number of respondents supported all remuneration reports on which votes were sought. At the other end, six respondents supported less than half of the remuneration reports in the sample, with four of them supporting less than 15% of the sample.

### Incentive schemes

Figure 3. Voting on incentive schemes – number of votes

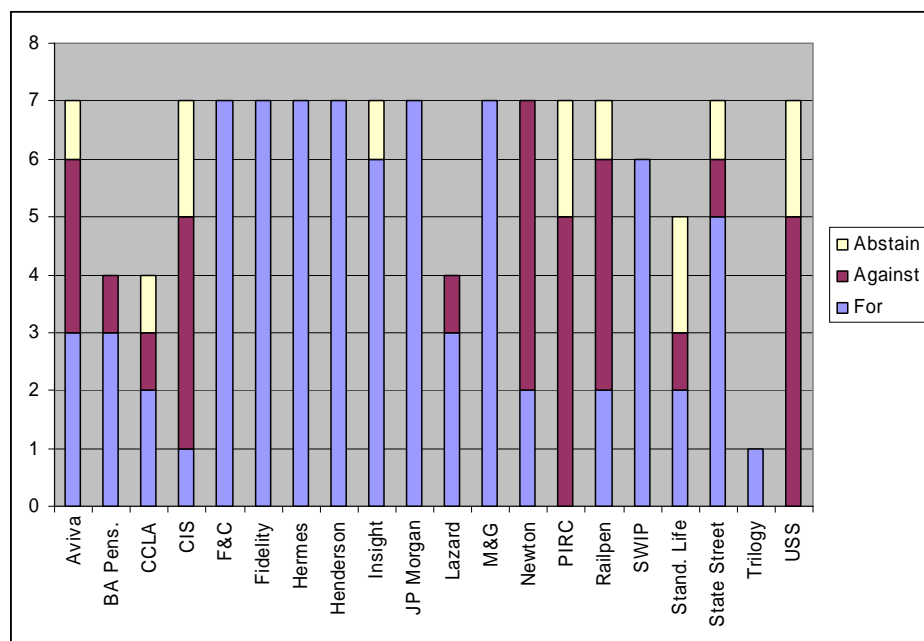


Figure 4. Voting on incentive schemes – proportion of votes

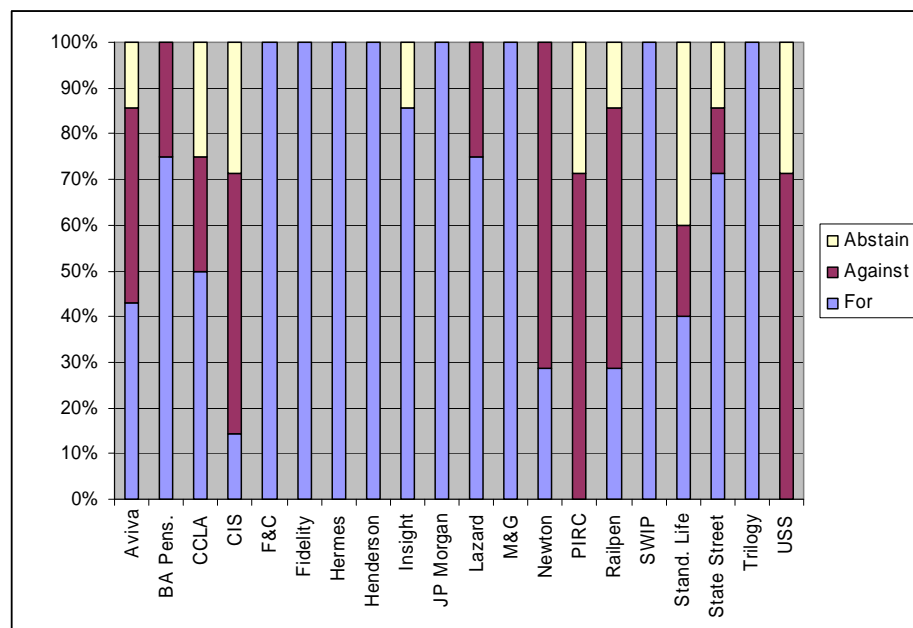


Figure 3 sets out the way respondents voted on all resolutions relating to incentive schemes at companies in which they held stock, with Figure 4 expressing the same data in proportions. Once more there is a wide divergence in the stance taken by respondents. Again a number of respondents supported all resolutions on which voting decisions were sought. Meanwhile eight respondents did not vote for at least half of the resolutions, with two respondents not supporting any. Notably a number of the respondents at either end of the spectrum in terms of voting on remuneration reports occupy the same position in terms of incentive schemes. This suggests that these respondents may have a clearly defined (and enforced) stance on remuneration issues.

### Director elections

Figure 5 sets out way respondents voted on all director elections at companies in which they held stock, and Figure 6 expresses the same data in terms of a proportionate split between votes for, against and abstains. Once more we see that some respondents are significantly more likely to vote in favour of management than others. Interestingly, there are a number of respondents who were largely or always supportive of management in director elections, who were also supportive on remuneration reports and incentive schemes. And similarly, it is mainly the same group of respondents who are most likely to oppose management in director elections. However, it is important to bear in mind when considering these results that they are likely be skewed by the fact that two companies – BP and Carnival – account for 9 of the 14 resolutions on which voting decisions were sought. It is therefore difficult to draw conclusions about voting in general from these results.

Figure 5. Voting on director elections – number of votes

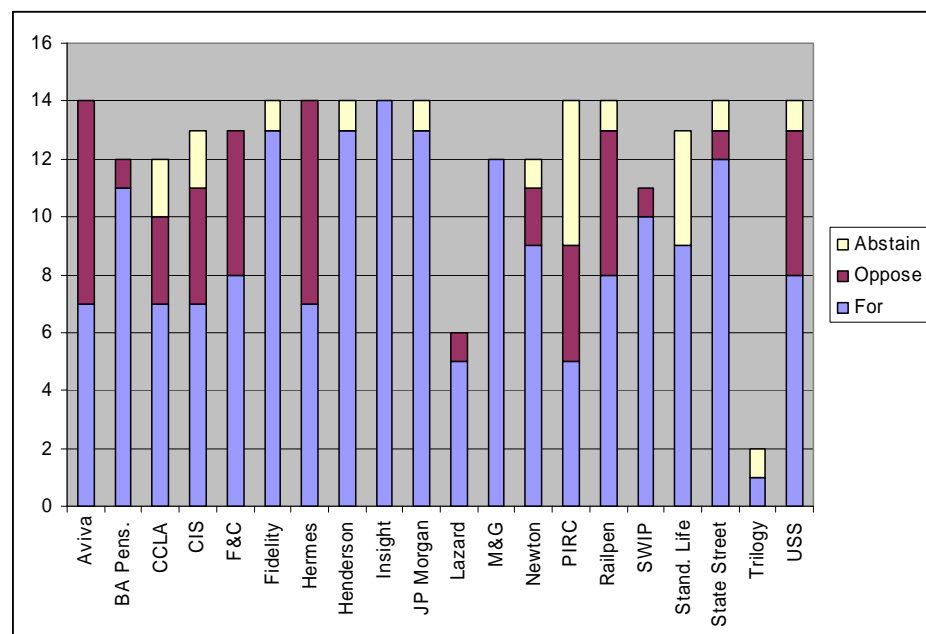
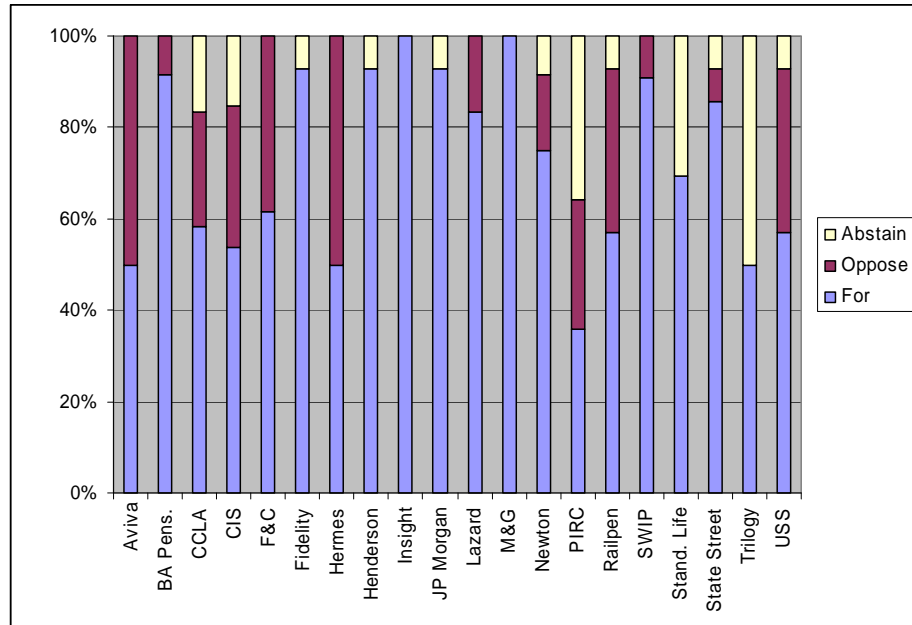


Figure 6. Voting on director elections – proportion of votes



### All management resolutions

Figures 7 and 8 set out the way respondents voted on management resolutions in the sample (ie excluding shareholders’ resolutions), and again express the data in terms of both number and proportionate split between votes for, against and abstains. These graphs confirm the picture emerging from those preceding them of a split in approaches to voting. At one end of the spectrum, eight respondents voted in favour of over 90% of management resolutions, whilst at the other six actively supported less than 50%.

Figure 7. Votes on all management resolutions – number of votes

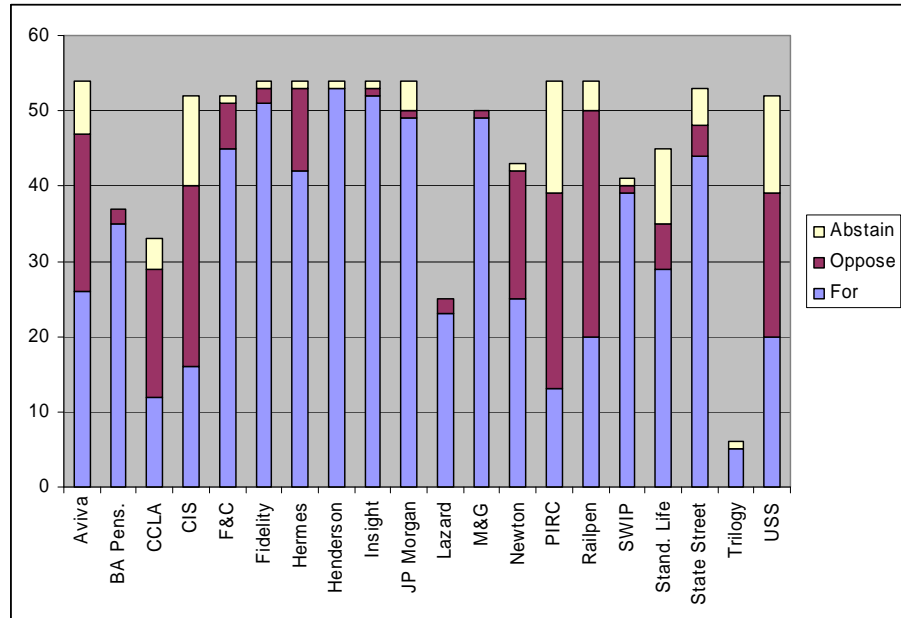
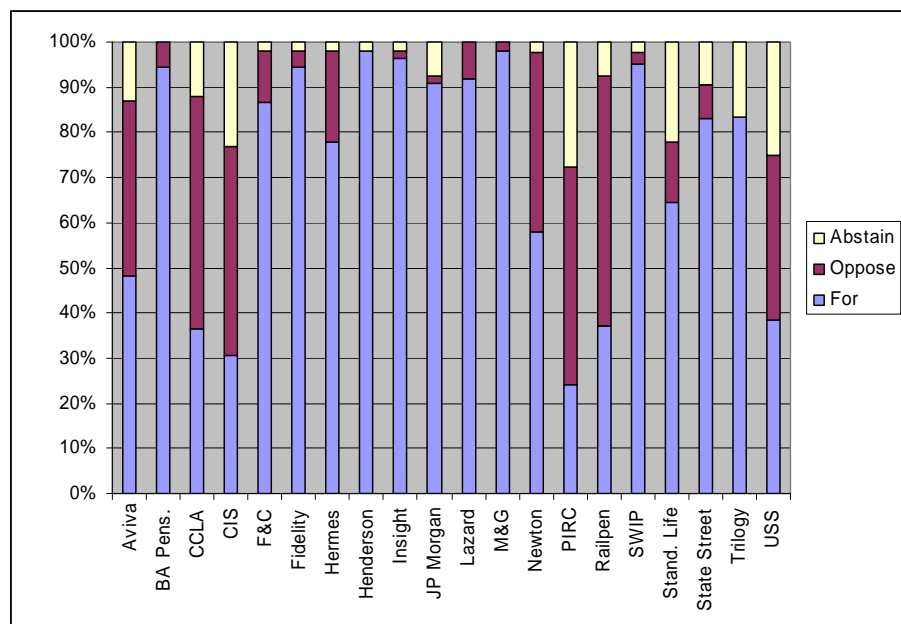


Figure 8. Votes on all management resolutions – proportion of votes

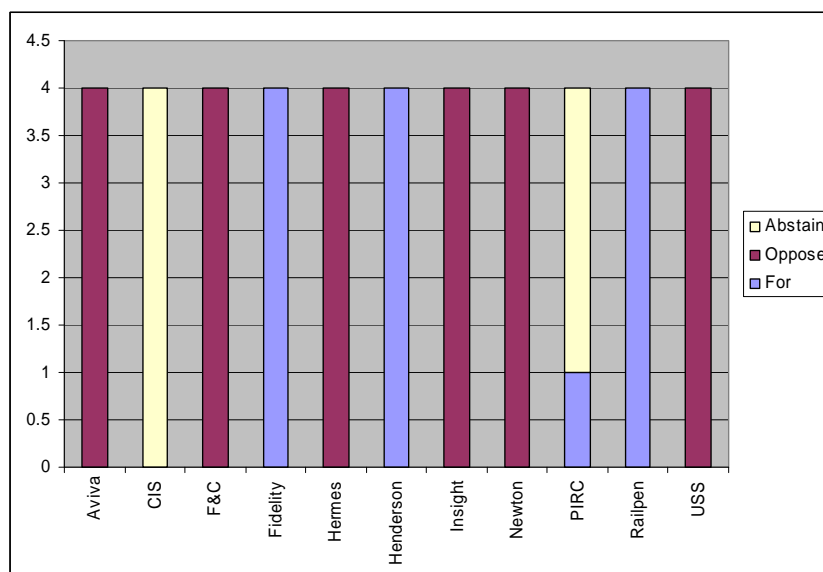


### Northern Rock and Tesco

The final graph and table show how respondents voted on shareholder resolutions at Northern Rock and Tesco. These were very different types of shareholder resolutions. The first four, submitted at Northern Rock, were filed by two investors - SRM Global Master Fund Limited Partnership (SRM) and RAB Special Situations (Master) Fund Limited which at that point between them owned 18% of the bank. These resolutions sought to restrict management's freedom to undertake certain actions. The funds won the popular vote, securing two-thirds

support for all four resolutions tabled. However, as three required 75% approval, only the move to prevent the board issuing £5m of shares without shareholder approval was passed. Of our sample, three respondents backed all the resolutions, one abstained on all, and one voted for one and abstained on the others. Six opposed all the resolutions.

**Figure 9. Voting on Northern Rock resolutions**



The resolution at Tesco was filed by TV chef Hugh Fearnley-Whittingstall, and sought to encourage the supermarket giant to sign up to the RSPCA's Five Freedoms in respect of the welfare of chickens sold in its stores. This resolution split investors in the sample, with five voting for, four abstaining, and seven opposing. The resolution achieved a vote in favour of just under 10% at the company's AGM in June 2008.

**Figure 10. Voting on Tesco resolution**

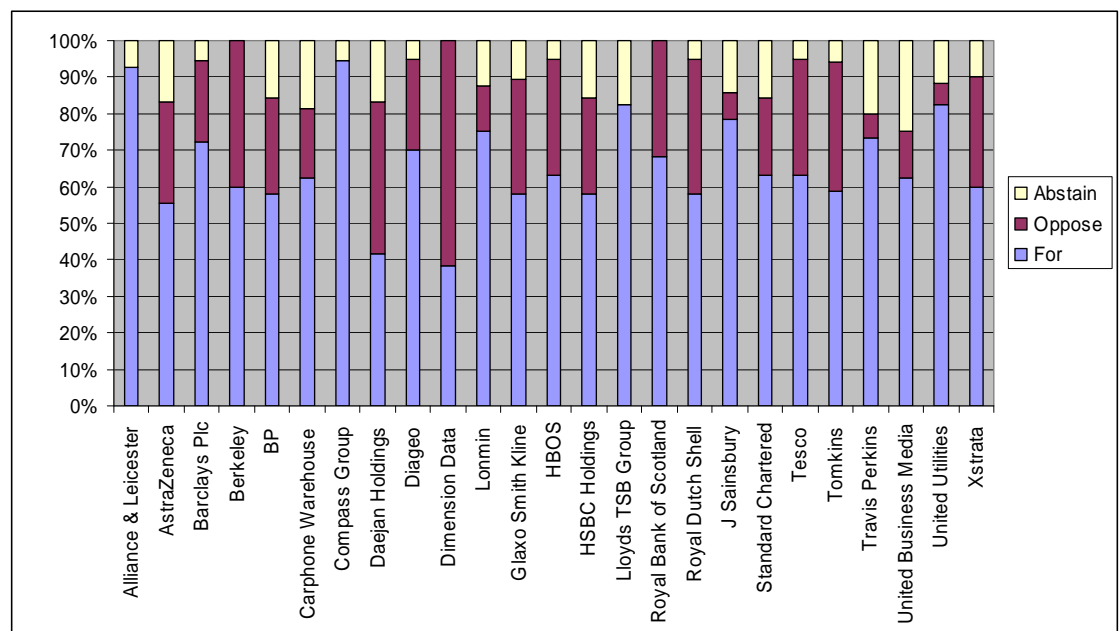
For	CCLA, Lazard, Newton, PIRC, Railpen
Against	BA Pensions, Fidelity, Hermes, Insight, JP Morgan, M&G, Scottish Widows, Standard Life, State street
Abstain	Aviva, CIS, F&C, USS
Other	Henderson reports that shares were voted according to individual portfolio manager views, which included for, abstain and against.

## Analysis by company

The following section considers the voting data obtained in terms of individual companies. In this case the data is presented in terms of the proportion of votes, for, against and abstains. This is because in most cases there is a reasonable sample of votes on which to base analysis. Where the sample is small (because only a minority of respondents held stock) this is highlighted in the text.

## Remuneration reports

Figure 11. Voting on remuneration reports



The sample of remuneration report votes provides some precursors for subsequent events. For example, in 2009 Shell lost the vote on its remuneration report because of investor concern about the remuneration committee's decision to override performance targets. The vote on its remuneration report at its 2008 AGM gave an indication of emerging investor concern with more than two fifths of respondents failing to back the report, and all but one of these opposing the report rather than abstaining.

Similarly, RBS also lost the vote on its remuneration report in 2009, mainly as a result of the board's decision to grant departing chief executive Fred Goodwin early retirement, and as such take an unreduced pension significantly earlier than normal retirement age (effectively a major enhancement to his pension entitlement). Notably the remuneration section of the company's annual report, presented to the 2008 AGM, made specific reference to the early retirement provision available to directors and other staff. Of our sample, just under a third of respondents had opposed its remuneration report at the company's 2008

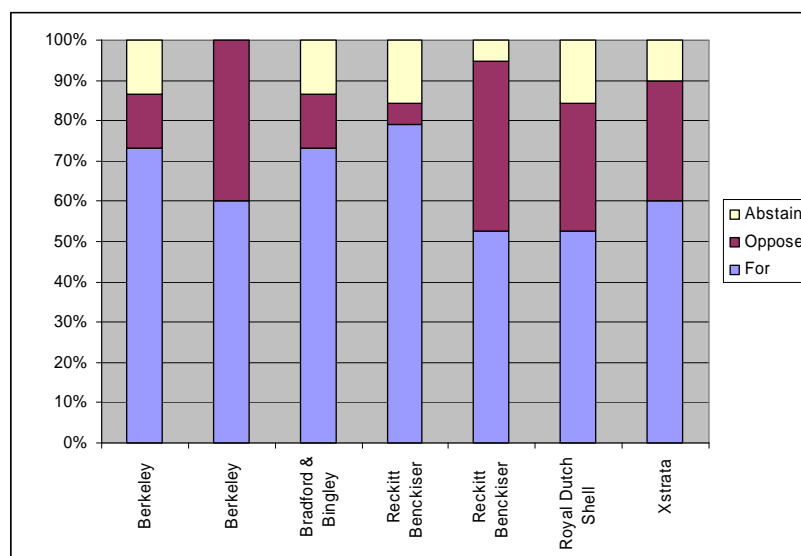
AGM. However the report passed at the bank’s AGM with just under 89% support.

Voting by respondents on remuneration reports at other UK-listed banks varies. Alliance & Leicester is one of only two companies in the survey (the other being Compass) to not register a single oppose vote from the sample. It achieved over 90% in support from respondents, and indeed the report passed at the AGM with a vote of just over 97% in favour. At the other extreme HSBC achieved just under 60% in active support from respondents, and at its AGM the remuneration report achieved just under 82% in terms of votes in favour, the lowest result for such a vote at a bank AGM in 2008. Other banks which achieved low support from respondents were HBOS and Standard Chartered, receiving just over 63% in terms of votes in favour. However, based on the voting data obtained, it does not appear that respondents had particular problems with remuneration at the banks. Of the nine companies receiving under 60% of votes in favour from the sample, HSBC is the only bank included.

Daejan Holdings and Dimension data both achieved less than majority support for their remuneration reports from our respondents, though neither company lost the vote on its remuneration report. This may reflect the fact that respondents to the TUC’s survey are in general more likely to oppose remuneration-related resolutions compared with other fund managers.

### Incentive schemes

Figure 12. Voting on incentive schemes

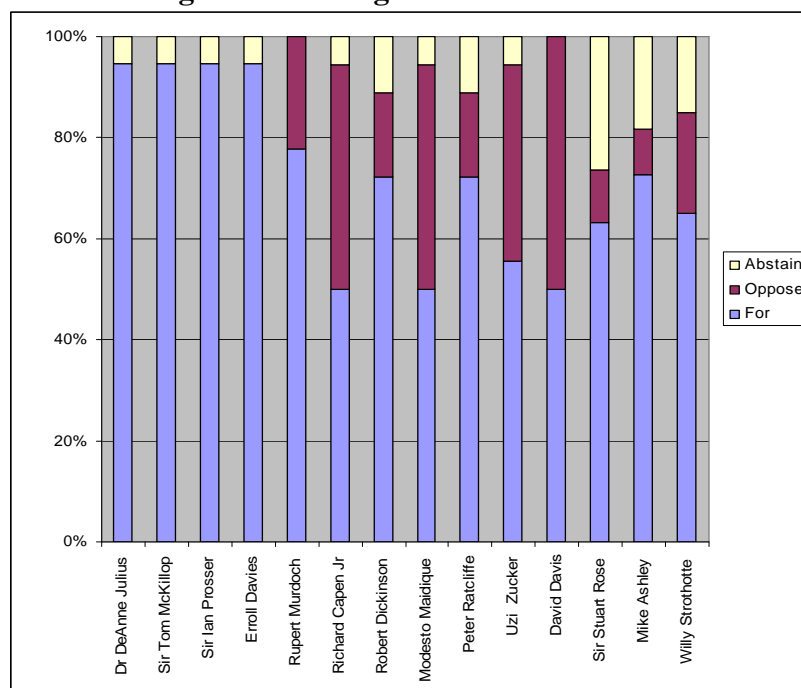


The graph above sets out voting on resolutions relating to incentive schemes. Reckitt Benckiser and Shell registered the lowest level of support from respondents, receiving active support from only just over half the respondents. Similarly the proposal at Xstrata’s 2008 AGM received active support from only 60% of respondents. In all three cases the stock was widely held, so these results demonstrate significant investor concern.

## Director elections

There are a number of notable results in votes from the sample of respondents on director elections. First it is worth highlighting that no respondents opposed any of the directors up for election at BP at its 2008 AGM. Subsequently in 2009 Sir Tom McKillop stood down from his position at BP due to investor unease at his record at RBS and a threat to vote him out.

**Figure 13. Voting on director elections**



The most 'controversial' director appointment, in terms of votes against, was that of David Davis at Daejan Holdings where half of respondents opposed his re-election (though it should be noted that this result is skewed by a smaller number of investors holding the stock). Three directors at Carnival also saw significant opposition, with two achieving less than 60% support.

The most high-profile director election on which voting decisions were sought was that of Sir Stuart Rose at Marks & Spencer. Investors had been concerned by his decision to combine the roles of chair and chief executive, in clear breach of the Combined Code. At the company's AGM in 2008, he failed to receive the backing of 22% of the company's shareholder base, though this was primarily driven by abstentions. In our sample almost two fifths of respondents did not back his re-election, with respondents mainly abstaining if they did not vote in favour. Given the divergence from the AGM result this again suggests that in aggregate our respondents may be more willing than shareholders in general to oppose management.



### **Royal Bank of Scotland's acquisition of ABN Amro**

The acquisition of ABN Amro by RBS is now seen as one of the worst deals in UK corporate history. At the RBS AGM this year chair Sir Philip Hampton said that the deal was largely responsible for the bank's subsequent troubles, stating: "it can now be seen as the wrong price, the wrong way to pay, at the wrong time and the wrong deal". However, when it was put to the vote at an EGM in August 2007, the deal was overwhelmingly supported by RBS shareholders, and this is mirrored in responses to the survey. Only a single respondent – Co-operative Insurance Society – opposed the acquisition, and there were no abstentions in the sample, with all other respondents voting in favour.

### **Conclusion**

The analysis above shows that there are clear differences in the way that investors utilise their shareholder voting rights, with some far more likely than others to be willing to vote against management. Since initiating its annual survey of investor voting in 2003, the TUC has repeatedly made the point that such a divergence in investor voting exists, and is a reason for mandatory voting disclosure. Such identifiable differences in voting patterns are simply not captured in general policy statements. The TUC believes fund managers' clients in particular must have access to comparative information on voting in order to understand where their manager sits in the spectrum. The present system of voluntary disclosure, with no guidance on the level or frequency of the provision of data, simply does not allow this.

## Section 2 – Questionnaire on policies and processes

### 1.1 Do you vote all your UK shares?

Of the 21 respondents answering this question, all indicated that they vote their UK shares. There are two additional points to note. A small number of respondents expressed their answer in a way which suggested that there might be implementation issues affecting their voting. For example, one said they submitted voting instructions in respect of all UK shares, possibly indicating that they cannot guarantee that all voting instructions are actioned (perhaps due to third party issues). Another respondent said that it voted 'available shares' and that its stock-lending programme had an impact.

### 1.2 Do you vote your overseas shares?

Of the 21 respondents, seven stated without qualification that they did vote their overseas shares. A further four reported that they voted unless there was share-blocking in place, and a further one reported that it would vote unless there was shareholder-blocking or other barriers in place. One respondent said that it voted a 'large proportion' of its overseas shares, another that it voted unless there were barriers to liquidity, another that it voted 80% of its overseas equities, another that it voted in certain markets, and another that it was implementing a programme to allow it to vote practically all its overseas holding. One respondent reported that it voted overseas on a case-by-case basis, with a 1% ownership threshold. Only one respondent reported that it did not vote its overseas shares.

### 1.3 Does your organisation have a set of policies on environmental, social and governance issues that informs your voting and engagement with companies? If yes, what areas do these cover? If possible, please provide copies.

Of the 22 respondents to this questions, only two (both fund managers, but both small organisations) stated that they did not have such policies, although a third gave a non-specific answer. There was also a split amongst fund manager respondents in the extent of such policies, both in terms of numbers of guidelines, and content of guidelines. Some managers reported having both corporate governance and voting guidelines, and separate responsible investment guidelines, or policies covering social, environmental and ethical issues. In addition some managers adopt fairly high level principles, whilst others were able to point to policies covering specific issues.

Most fund manager respondents have a greater focus on corporate governance, and their guidelines typically cover the main issues in this area – board structure, director independence, remuneration and so on. In terms of the E and the S of ESG (environmental, social and governance) factors referred to as being covered by such guidelines, environmental policies are most common, but other issues such as human and workplace rights, discussed further below, were mentioned.

Notably one manager indicated that it has incorporated ABI guidance on linking remuneration and management of ESG issues into its voting policy.

The four pension funds responding all indicated that they had guidelines in place, and in three cases this appears to include policy going beyond the Statement of Investment Principles. One of the funds suggested that a blanket policy on extra-financial issues might not be particularly effective since the issues were often very specific to the companies concerned.

**1.4 More specifically, do you have a set of policies on employment or labour issues that informs your voting and engagement with companies? If yes, what areas do these cover? If possible, please provide copies.**

Of the 22 respondents, eight stated that they had no policy in this area, one stated that its focus was on environmental issues, and a further four provided generalised comments stating that such issues were considered. Two respondents referred to their general guidelines on ESG issues, though in one case the document did not refer to labour issues specifically, and in the other the relevant document was not available at the web address provided.

Of the remaining respondents, two made specific reference to international standards they seek to promote, such as the Global Compact, Universal Declaration on Human Rights, OECD guidelines on multinational enterprises and ILO core principles. A further four indicated that they had policies on labour and/or trade union rights. One respondent encourages reporting on employment issues as part of its voting policy.

**1.5 Over which types of corporate governance or issues are you most likely to vote against management?**

Of the 21 respondents, four gave non-specific answers to this question. Of the remainder, all but one mentioned remuneration as an issue over which they were more likely to oppose management. The second most mentioned issue was board balance/director independence, which was referred to explicitly by eleven respondents. Five respondents mentioned pre-emption rights, making it the third most likely issue over which it was claimed that votes would be cast against management. One respondent stated that its focus was on proposals that would result in environmental risks that could affect financial returns or ones that could benefit the environment and improve a company's reputation and financial success.

These responses fit quite well with the analysis of actual voting decisions in the previous section, with a number of respondents clearly more willing to vote against remuneration reports and incentive scheme-related resolutions than other management proposals.

**1.6 Which types of corporate governance or social responsibility issues take up the most time in your engagement activity?**

Not surprisingly, remuneration again tops the list of governance issues over which respondents say they spend most time engaging with companies, with board structure again coming second, and business strategy mentioned by a small minority. In terms of social responsibility there was a difference in the types of responses, with some mentioning issues - climate change and related issues being mentioned most often – and others referring to specific sectors like oil and gas, extractive industries and the banking sector. Notably two respondents also referred to lobbying activity on shareholder rights, such as the introduction of a ‘Say on Pay’ in the US.

**1.7 If you did not fill in the parts of section 1 that relate to contact with the company, what were the reasons for this? For example, is information on company engagement not recorded, or is it recorded in a way that makes it difficult to extract numerical information on contact with the company, or is engagement information regarded as confidential?**

Of the eight respondents to this question, three stated that information relating to engagement was confidential, two suggested that it was difficult to extract numerical information because of the way engagement was recorded, and one cited both these factors as reasons for not providing such data. The two other respondents indicated that they did not believe that statistics on numbers of meetings, letters etc would enable a useful assessment of engagement and the quality of such engagement. One of these respondents suggested that this would skew the analysis towards respondents with large teams and/or overlay services. It also said that confidentiality was an issue.

**1.8 Do you report any voting information publicly? If so, please could you include a web address where information on your voting record can be found.**

Of the 22 respondents to this question, six do not report any voting data publicly (though one of these suggested that its response to this survey was public disclosure) and four others make partial information available – statistics in three cases, and votes on environmental resolutions in the other. Of the remaining twelve most make full voting records available (ie all votes on all resolutions are disclosed). However in a number of cases only votes against and abstentions are reported. Under such a disclosure system if the underlying portfolio is not known this means it is not possible to identify companies at which all resolutions were supported.

**1.9 If not, do you have any plans to report voluntarily such information in the future?**

Five respondents provided an answer to this question, four that disclose no data, and one respondent that currently only provides statistics. Of the four non-disclosing respondents, two state that they have no plans to disclose in future. The TUC has visited the websites of both these respondents and has been unable to find a statement explaining their decision not to disclose, as envisaged by the ISC's disclosure framework. One of the other non-disclosing respondents says that it is developing a disclosure system, and another that it is reviewing the issue. The respondent which currently only makes statistics available says that there are no plans to go beyond this.

**1.10 Do you disclose engagement activity undertaken, excluding voting, either to clients or publicly?**

Of the 16 fund manager respondents to this question, only one reported that it did not disclose any engagement activity. Ten fund manager respondents said that they report to clients on engagement activity, though two of these state that this is done on request. The five remaining fund managers report engagement activity both to clients and publicly, although in some cases the level of detail is different.

The four pension funds responding to this question do not have clients as such, but all provided examples of having made information regarding engagement activities publicly available. The voting adviser stated that it reported back to a number of clients on engagement activity.

**1.11 What is your perception of the level of client interest in voting and engagement activity undertaken on their behalf?**

The broad picture emerging in response to this question is of growing client interest, with three out of 17 fund manager respondents stating interest was high (although all three have a responsible investment capability and thus are likely to be hired for this) and six stating that it was increasing. At the other end of the spectrum one manager said there was no interest in this activity, and two others described it as low/minimal. Several managers said that interest varied by client, with public sector funds highlighted by some as being more interested, and some said it varied by region.

The four pension funds which responded to this question all felt that there was interest in this area – whether their own or that of their trustees or beneficiaries. The voting adviser responding to this question also indicated there seemed to be growing client interest, but that some fund managers were cutting back their resources in this area.

**1.12 Do you have any experience of potential clients asking about your voting and engagement activity during a beauty parade process? If yes, please give brief details.**

There was a clear split in responses to this question. A small number of fund managers reported that voting and engagement was regularly part of the interview process, though in one case the manager said this was because they had a specialism in this area. A number of other managers said that interest varied with mandate and client type, with local government pension funds in the UK and the rest of Europe highlighted by two respondents as having a particular interest. And five respondents reported that information on voting and engagement was increasingly sought in requests for proposals or RFPs. At the other end of the spectrum, three managers reported very little or no experience of interest in these issue during beauty parades.

**1.13 Approximately what proportion of clients retain voting rights themselves?**

Again there was a clear split in responses to this question. Five of the 15 fund managers responding with a specific answer reported that either no clients, or less than 1% retained voting rights themselves. A further three said that very few clients retained voting rights, without putting an approximate figure on the level. Two managers said 5% or fewer retained voting rights, and one said the level was under 10%. Towards the other end of the spectrum one manager reported that 15% of clients retained voting rights, one said 20%, and a third said the level was 35%. One manager reported simply that ‘the majority’ of clients gave them discretion over voting.

**1.14 How do you deal with clients in pooled funds that wish to override your voting policy and issue their own voting instructions?**

Of the 16 fund managers responding to this question, six stated that clients cannot override the voting policy in pooled funds. A further five stated simply that the situation had never arisen, without indicating what the policy would be if such a situation did arise. Of the remaining five, one stated that the situation had not arisen but clients wishes would be accommodated, and the other four indicated that they had allowed clients to issue their own instructions. In one of these cases this is an ongoing relationship.

**1.15 Do you use any third party voting advice services?**

All 21 respondents (including the four pension funds) said that they use voting advisory services, although three respondents did not indicate which services. The following table lists the number of respondents reporting use of each provider. A number of respondents use more than one service.

RiskMetrics/ISS/RREV	14
ABI IVIS	10
Glass Lewis	7
PIRC	5
Manifest	2
ECGS	2
Asian Corporate Governance Association	1
Corporate Library	1
EIRIS	1
Governance for Owners	1
Innovest	1

**1.16 What procedures are in place in terms of exercising the voting rights of stock that has been lent? Have there been any instances where you have been unable to exercise voting rights because stock has been lent? Have your policies on stock lending changed as a result of the financial crisis?**

Practice in relation to stock-lending varies considerably. Four of the 21 respondents – three fund managers and one pension fund - indicated that they were not involved in any stock-lending programme themselves.

Those respondents which are involved in stock-lending provided differing levels of detail about these activities but there are some distinct policy differences. In terms of recalling stock for voting purposes, two suggested that this was always undertaken, whilst one stated that “Stocks that are on loan cannot be voted” suggesting that loaned stock is not recalled. A further 14 respondents said that stock was recalled in certain circumstances, with many stating that this was when there was a contentious voting issue at stake. Notably one fund manager stated it believed that the economic benefit of recalling stock would rarely outweigh the lost income from lending.

Three respondents indicated that they had experienced a small number of cases where there had been problems exercising voting rights because of stock-lending. However the clear message was that such problems were very much on the periphery.

Three respondents – one pension fund and two fund managers – indicated that there had been some developments in relation to stock-lending policy as a result of the financial crisis. One stated simply that policy was under review. Another said that its focus had been on counterparty limits and changes to collateral allowed. The third stated that it had exercised additional diligence regarding stock during the crisis, and recalled stock from, or placed restrictions on lending

to, potentially vulnerable sectors. It also reported that it had established a Strategic Stocklending Review Committee during 2008.

**1.17 Are you, or do you plan to become, a signatory of the United Nations Principles of Responsible Investment?**

Of the 22 respondents, 14 are currently UNPRI signatories – 10 fund managers, three pension funds and one voting advisory service. Of the remaining eight respondents, four say they will review their position or are currently doing so. Of the other four non-signatory respondents, one states that it does not expect to be able to demonstrate progress over time toward meeting the Principles because the large majority of its assets are passively or quantitatively managed.

**1.18 How many staff (excluding marketing) are employed by your organisation to work specifically on i) corporate governance and ii) corporate social responsibility issues?**

Responses to this question are set out in the table below. Perhaps the most surprising finding is that a number of respondents employ more staff to cover social responsibility issues than corporate governance.

Respondent 1	6 working on CG, 10 working on CSR
Respondent 2	6 working on CG and CSR
Respondent 3	1 working on CG, 2 working on CSR
Respondent 4	3 working on CG, 4 working on CSR
Respondent 5	16 working on CG and CSR
Respondent 6	4 working on CG
Respondent 7	1 working on CG, 3 working on CSR
Respondent 8	35 working on CG and CSR
Respondent 9	3 working on CG and CSR
Respondent 10	4 working on CG and CSR
Respondent 11	2 working on CG and CSR
Respondent 12	No specific staff
Respondent 13	5 working on CG and CSR
Respondent 14	2 working on CG and CSR
Respondent 15	5 working on CG, 3 working on CSR
Respondent 16	4 working on CG and CSR



Respondent 17	3 working on CG and CSR
Respondent 18	4 working on CG, 8 working on CSR
Respondent 19	4 working on CG, 1 working on CSR
Respondent 20	4 working on CG and CSR
Respondent 21	No specific staff
Respondent 22	35 working on CG and CSR

## Section Three – Conclusions

### **The crisis and the role of shareholders**

This year's survey is published in the wake of the most serious financial crisis for decades. Although not a central cause of the crisis, the governance of financial institutions and the role of shareholders as owners in promoting high standards has been an important theme. A number of investors have publicly acknowledged that they could have engaged more effectively, including by opposing management on key issues, and this line of argument is likely to be explored further in the Walker Review.

Based on responses to this year's survey, the TUC believes that there are some questions to answer. For example, if it is correct that remuneration arrangements at the banks played some part in incentivising excessive risk-taking, then it is not clear that shareholders – as owners of the banks – were challenging this. Votes on UK-listed banks' remuneration reports, even at 2008 AGMs, do not suggest a high level of concern. Similarly, based on the vote to approve the RBS takeover of ABN Amro, it is hard not to conclude that shareholders were also failing to act as an effective brake on reckless acquisitions, even though some now claim they had concerns.

As we stated in the introduction, there is now surely no doubt that there is a public interest in how shareholders exercise the ownership function. Institutional investors must be transparent and accountable for their actions if their beneficiaries are to have confidence in them exercising ownership effectively. This is one of the reasons that the TUC has advocated mandatory disclosure of voting records, and we believe that the crisis strongly reinforces the need for this kind of transparency.

### **Variations in approaches to voting**

One of the clear messages from the voting data obtained is that there are sharp differences in the use of shareholder voting rights by institutional investors. This matters a great deal. Investors' public policies on corporate governance issues often make very similar statements yet it is patently the clear that the way such policies are put into practice varies dramatically between institutions. Some investors are far more likely to support management proposals – including when there are controversial issues at stake – than others.

Having analysed the voting behaviour of institutional investors for seven years, the TUC has built an understanding of where various institutions sit in the voting spectrum. This has enabled us to identify, for example, which fund managers are more likely to be receptive to the concerns of civil society in respect of corporate behaviour, and which, in contrast, have rebuffed approaches by unions and NGOs by routinely supporting management. We have no doubt that the more intelligent investor relations departments of public companies have a similar understanding of their shareholder base, and know which institutions' votes they can safely assume are in their pocket almost no matter what governance or social responsibility policies they breach.

However we believe that these clearly identifiable variations in approach are not widely known or understood by fund managers' clients. In addition, most clients only even see their own managers' decisions in isolation, rather than in comparison with other institutions. This is somewhat analogous to trustees only being able to see their own fund manager's investment performance without reference to either other managers or the market as a whole. Once more this points to the need for standardised comparable data on voting, to enable trustees and other clients to understand where their provider sits in the spectrum.

### **Variations in disclosure**

Regrettably the industry's voluntary approach to disclosure – enshrined by the ISC's framework – effectively frustrates the kind of comparative analysis the TUC advocates, and has attempted through the publication of this annual survey. This contrasts markedly with markets where there is mandatory disclosure.<sup>1</sup> The ISC's guidance is vague, and in practice managers choose what and when to disclose. Some update their disclosures soon after voting has taken place, others only disclose their decisions many months later. Some managers provide very detailed information, some provide just basic statistics and some continue to disclose nothing at all. This means that analysis of the market as a whole is impossible. Incredibly, even now, in the wake of the near collapse of the banking sector, it is not possible to put together a comprehensive picture of shareholder voting at bank AGMs, and the investment industry continues to oppose mandatory disclosure.

More broadly, the TUC does not have confidence in the ISC's role in assessing progress in this area. For one it is inherently conflicted, since its membership organisations have lobbied heavily against the need for mandatory disclosure.<sup>2</sup> In addition the ISC appears to have failed to produce the analysis of the operation of the voluntary framework requested of it by then Economic Secretary to the Treasury Ed Balls.<sup>3</sup> As a result others stakeholders will not have confidence in the ISC's role as an assessor of progress. Therefore if the Government wishes to assess progress the TUC urges it to undertake its own analysis of the situation and to invite the views of all stakeholders when this is carried out.

---

<sup>1</sup> In the US initiatives such as FundVotes.com and ProxyDemocracy.org provide comparative data on investors' ownership activities and in the latter case allow users to manipulate such data to make comparisons of approaches to different governance issues; and Canadian shareholder activist group SHARE has produced comparative analysis of mutual fund voting [www.share.ca/files/MutualFund\\_Voting\\_Report\\_0607.pdf](http://www.share.ca/files/MutualFund_Voting_Report_0607.pdf)

<sup>2</sup> The AITC (now AIC) called on the Prime Minister to personally intervene to remove the reserve power from the Companies Act: [www.theaic.co.uk/Press-centre/AITC-ASKS-PRIME-MINISTER-TO-INTERVENE-OVER-DISCLOSURE-OF-VOTING-IN-COMPANY-LAW-REFORM-BILL/](http://www.theaic.co.uk/Press-centre/AITC-ASKS-PRIME-MINISTER-TO-INTERVENE-OVER-DISCLOSURE-OF-VOTING-IN-COMPANY-LAW-REFORM-BILL/); and The IMA states in a footnote on page 30 of its most recent survey: "The IMA lobbied heavily against this power being introduced when the Companies Bill was debated in parliament..."

<sup>3</sup> See attachment to ISC press release of 27<sup>th</sup> June 2007.

But the most straightforward way to deal with these inter-related issues is quite clear - exercise the reserve power in the Companies Act. If disclosure was mandatory this would easily enable the production of comparative analysis of investor behaviour. It would ensure that disclosure was timely and detailed, and it would provide the transparency and accountability of investment institutions that is now clearly required.

The current voluntary regime frustrates such aspirations and benefits only one group – those investors which do not wish to be transparent and accountable. Given the scale of the financial crisis, and the pressing need to leave behind failed policies, the Government should acknowledge that a voluntary approach to the disclosure of ownership activity has had its day. It is time to move forward and enact real transparency.

## Appendix: circulation and response list

### **Full responses received from:**

Aviva Investors  
British Airways Pensions Investments  
CCLA Investment Management  
Co-operative Insurance Society  
Fidelity International  
F&C Investments  
Henderson Global Investors  
Hermes  
JP Morgan Fleming Asset Management  
Lazard Asset Management  
M&G Investments  
Newton Investment Management  
PIRC  
Railpen  
Standard Life Investments  
Scottish Widows Investment Partnership  
State Street Global Advisors  
Trilogy Advisors  
Universities Superannuation Scheme

### **Voting data received from:**

Insight Investment

### **The following investors responded to Section Two on policies and processes:**

Capital International  
Environment Agency Pension Fund  
HSBC

**These organisations failed to respond or declined to take part:**

Abbey National Asset Managers

Aberdeen Asset Management

Aerion Fund Management

Axa Investment Managers

Baring Asset Management

Baillie Gifford

Barclays Global Investors

Black Rock

Cazenove Capital Management

Credit Suisse Asset Management

EPIC Investment Advisers

Gartmore Investment Management

Goldman Sachs Asset Management

Ignis Asset Management

Invesco Asset Management

Investec Asset Management

Legal & General Investment Management

Martin Currie Investment Management

Morgan Stanley Investment Management

Old Mutual Asset Managers

RCM (UK)

Royal London Asset Management

RREV

SG Asset Management

Schroder Investment Management

Threadneedle Asset Management

UBS Global Asset Management



Trades Union Congress  
Congress House  
Great Russell Street  
London WC1B 3LS

[www.tuc.org.uk](http://www.tuc.org.uk)

contact:  
Janet Williamson  
020 7467 1305  
[jwilliamson@tuc.org.uk](mailto:jwilliamson@tuc.org.uk)

© 2009 Trades Union Congress

For more copies of this title contact our ordering point on  
020 7467 1294 or [smills@tuc.org.uk](mailto:smills@tuc.org.uk).

All TUC publications may be made available for dyslexic or visually impaired readers,  
on request, in an agreed electronic format or in accessible formats such as Braille,  
audiotape and large print, at no extra cost.