

## APPENDIX 1: VOTING RECOMMENDATIONS SUMMARY

| ISSUE                                | PLSA STATEMENT   | VOTE OUTCOME (VOTE) | VOTE OUTCOME (RESOLUTION)   |
|--------------------------------------|--|---------------------|---|
| Board Leadership and Company Purpose | Key stakeholder relationships, including with shareholders and the workforce, are being neglected and the board is not adhering to the spirit of the Corporate Governance Code requirement to engage and support stakeholder constituencies. | AGAINST             | Annual Report and Accounts  |
| Board Leadership and Company Purpose | Disclosure of the business model fails to convey how the company intends to generate and preserve long-term value.   | AGAINST             | Annual Report and Accounts  |
| Board Leadership and Company Purpose | The company fails to provide a fair and balanced explanation of the composition, stability, skills and capabilities and engagement levels of the company's workforce.  | AGAINST             | Annual Report and Accounts  |
| Board Leadership and Company Purpose | The Chair has declined a legitimate shareholder request for a meeting without offering a valid reason as to why or has failed to find a mutually convenient time without undue delay.  | AGAINST             | Chair   |
| Board Leadership and Company Purpose | The Chair has repeatedly failed to address investors' concerns about the relationship between the company and key stakeholders.  | AGAINST             | Chair   |
| Board Leadership and Company Purpose | The Chair has had significant involvement, whether as an Executive Director or a Non-Executive Director, in material failures of governance, stewardship or fiduciary responsibilities at a company or other entity.                         | AGAINST             | Chair   |
| Division of Responsibilities         | There is a combination of the role of Chair and CEO without a convincing explanation as to why, where an 'interim' period extends for more than one year or where there is evidence of poor succession planning.                             | AGAINST             | Chair; Director responsible for the appointment process; (Annual Report and Accounts) |

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|--|--|---------------------|---|
| Division of Responsibilities           | Investors judge that the arguments presented to justify the succession of the CEO to Chair are insufficient. It is important to note that complexity of the business is unlikely to be sufficient explanation in itself.         | AGAINST             | Chair; Director responsible for the appointment process; (Annual Report and Accounts) |
| Division of Responsibilities           | The Chair is Director of more than four companies and/or a Chair of two or more global and highly complex companies (unless there is a compelling explanation as to why this will not impact their availability and commitment). | AGAINST             | Chair; Director responsible for the appointment process; (Annual Report and Accounts) |
| Division of Responsibilities           | The situation of a combined role persists and there remains serious concern that the specific arrangements create unresolvable challenges for board oversight of executive management.   | AGAINST             | Chair; Director responsible for the appointment process; (Annual Report and Accounts) |
| Division of Responsibilities           | Material corporate governance failings under the Chair's watch are evident. This should include an inadequate response in addressing shareholder concerns.   | AGAINST             | Chair; Director responsible for the appointment process; (Annual Report and Accounts) |
| Division of Responsibilities           | Investors should consider also voting against the election of the Director responsible for the appointment process (often the SID) when issues persist.  | AGAINST             | Chair; Director responsible for the appointment process; (Annual Report and Accounts) |
| Composition, Succession and Evaluation | There is limited or boilerplate disclosure about the board performance review and review of corporate governance arrangements.   | AGAINST             | Annual Report and Accounts  |
| Composition, Succession and Evaluation | A diversity statement is not disclosed or is considered unsatisfactory based on our above recommendations of what good company behaviour should be.  | AGAINST             | Annual Report and Accounts  |
| Composition, Succession and Evaluation | Practice does not improve regarding the composition and succession or there is consistently no independent board performance review conducted.   | AGAINST             | Chair   |

| ISSUE                                  | PLSA STATEMENT   | VOTE OUTCOME (VOTE) | VOTE OUTCOME (RESOLUTION)             |
|--|--|---------------------|---------------------------------------|
| Composition, Succession and Evaluation | <p>If:</p> <ul style="list-style-type: none"> <li>• There is no evaluation process.</li> <li>• There is a failure to disclose a reassuring succession plan, even after engagement with shareholders.</li> <li>• The board is consistently failing to move closer to the latest FCA requirements on diversity and inclusion – or did not successfully explain the reason for non-compliance – the FTSE Women Leaders Review on gender diversity and the Parker Review recommendations on ethnic diversity.</li> <li>• The board has not established a diversity and inclusion policy and strategy.</li> <li>• The board is consistently failing to, or showing lack of effort to, move closer to our above recommendations of what good company behaviour should be regarding board diversity.</li> <li>• There is a failure to move to annual Director elections and an absence of an acceptable explanation.</li> </ul> | AGAINST             | Chair; Chair of Nominations Committee |

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|--|--|---------------------|---------------------------|
| Composition, Succession and Evaluation | <p>If:</p> <ul style="list-style-type: none"> <li>• Previous legitimate investor concerns have not been sufficiently addressed.</li> <li>• The Director has had significant involvement, whether as an Executive Director or Non-Executive Director, in material failures of governance, stewardship or fiduciary responsibilities at another company or entity.</li> <li>• Engagement with a Director has resulted in a judgement against their effectiveness and suitability, including with regards to conflict of interest.</li> <li>• There is no supporting statement from the board.</li> <li>• There is clear evidence of poor performance or poor attendance at meetings without provision of a satisfactory explanation.</li> <li>• There is concurrent tenure of a Non-Executive Director with an Executive Director for over nine years and no satisfactory explanation given as to why the Director remains independent.</li> <li>• The composition of the key Committees or the balance of the board has been compromised by the presence of one (or more) specific non-independent Non-Executive Directors.</li> <li>• There is failure of a specific aspect of reporting or function (with investors voting against the Director responsible e.g., the Chair of the relevant Committee).</li> <li>• There is no clear evidence that diversity is being sufficiently considered by the board, or where previously committed timescales are not being met, in the senior board positions.</li> </ul> | AGAINST             | Chair; Directors          |

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|----------------------------------|--|---------------------|--|
| Audit, Risk and Internal Control | <p>If there are ongoing concerns in relation to:</p> <ul style="list-style-type: none"> <li>• The audited accounts fail to provide a true and fair view of profit or loss, assets or liabilities (for example, they overstate profit or assets or understate likely liabilities such as pension or climate-related liabilities). Please note: if the Auditor is seen to have helped reveal this issue, then their re-election, all other things being equal, should be strongly supported.</li> <li>• There is ongoing use of alternative performance measures to report on business performance and their use is not transparent and fully justified, or where the reconciliation to the generally accepted accounting principles accounting numbers is unclear, or where the calculations change regularly in ways that appear to flatter management delivery.</li> <li>• There is poor disclosure of the strategy and risk exposures or a lack of disclosed review of the company's risk management and internal control systems.</li> <li>• There is either no viability statement which looks out over multiple years, or one which does not evidently consider a full range of risk factors.</li> <li>• The climate change assumptions that underlie calculations of relevant and publicly stated asset valuations or business profits are not sufficiently transparent or appear to be inconsistent with science and expert opinions on climate change.</li> <li>• The company's disclosure on cybersecurity risk – and on steps to mitigate this risk – is particularly poor.</li> </ul> | AGAINST             | Annual Report and Accounts; Auditor; Audit Committee Chair |

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| Audit, Risk and Internal Control | <p>If:</p> <ul style="list-style-type: none"> <li>The tenure of an external Auditor extends beyond ten years and there has not been a recent tender process and where no plans to put the audit service out to tender are disclosed.</li> <li>The Auditor has been in place for more than 20 years.</li> <li>The non-audit fees exceed 50% of the audit fees in consecutive years without an adequate explanation being provided.</li> <li>There are major concerns regarding the audit process and quality of accounts – particularly a failure to provide a true and fair view (or good visibility over the payment of dividends) and these are not resolved satisfactorily by the board.</li> <li>Cybersecurity risks (or any breach responses) are not being sufficiently well managed.</li> </ul> | AGAINST             | Audit Committee Chair; Reappointment of Auditor  |
| Audit, Risk and Internal Control | <p>If:</p> <ul style="list-style-type: none"> <li>The Auditor's Report fails to address a key issue or is otherwise unsatisfactory.</li> <li>Audit fees have been either increased or reduced by a significant proportion (e.g. more than 20%) in a given year without a clear justification.</li> </ul>   | AGAINST             | Auditor's remuneration; reappointment of Auditor |
| Audit, Risk and Internal Control | There are extreme concerns or persistently poor disclosure in regards to the sufficient auditing of the company.   | AGAINST             | Chair  |
| Audit, Risk and Internal Control | There is evidence of egregious conduct attributable to a particular Director around the development and deployment of AI.  | AGAINST             | Director; Chair                                  |

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| <p>Remuneration</p> | <p>If:</p> <ul style="list-style-type: none"> <li>• The company’s remuneration policy fails to meet the standards outlined above.</li> <li>• Pay policies may result in pay awards that could bring the company into public disrepute or foster internal resentment.</li> <li>• The pay policy awards ‘sign-on’ bonuses without the inclusion of any conditionality, or allows for the payment of awards not already vested at the previous employer.</li> <li>• The process of engagement prior to the AGM vote fails to produce a remuneration policy that shareholders can support. This represents a serious failure on the part of the Chair of the remuneration committee in what is the most fundamental aspect of their role.</li> <li>• There is no provision to enable the company to claw back sums paid or scale back unvested awards. Such provisions should not be restricted solely to material misstatements of the financial statements.</li> <li>• The pension payments or payments in lieu of pension (as a percentage of salary) for new appointments are not in line with the proportion paid to the rest of the workforce.</li> <li>• There is no plan to bring pension payments to incumbent Directors in line with the proportion paid to the rest of the workforce over the next few years.</li> <li>• There is an excessive amount of flexibility being provided for ‘exceptional circumstances’.</li> <li>• The recruitment policy is vague and unlimited or substantial headroom is given and not accompanied by substantial additional hurdles.</li> </ul> | <p>AGAINST</p> | <p>Remuneration policy</p> |
|---------------------|---|----------------|----------------------------|

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|-------|---|---------------------|---------------------------|
|       | <ul style="list-style-type: none"> <li>• There are guaranteed pensionable, discretionary or ‘one-off’ annual bonuses or termination payments.</li> <li>• There is any re-testing of performance conditions to enable awards to be made.</li> <li>• New share award schemes are layered on top of existing schemes.</li> </ul> |                     |                           |



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|--------------|---|---------------------|---------------------------|
| Remuneration | <p>If:</p> <ul style="list-style-type: none"> <li>• There is insufficient evidence of alignment with shareholders' interests and company long-term strategy. This could include, but is not limited to, a shareholding requirement for which the level is set at less than 2x salary.</li> <li>• The metrics used are inappropriate or there are insufficiently stretching targets for annual bonus or LTIP.</li> <li>• There are annual pay increases in excess of those awarded to the rest of the workforce and an absence of a convincing rationale.</li> <li>• Pension payments to incumbent Directors (as a percentage of salary) are higher than the rest of the workforce and there is no evidence that this will be reduced.</li> <li>• The pension payments, or payments in lieu of pension (as a percentage of salary) for new appointments, are not in line with the proportion paid to the rest of the workforce.</li> <li>• There is a failure to disclose (or to have a retrospective disclosure of) variable pay performance conditions for annual bonuses or ex-gratia and other non-contractual payments.</li> <li>• There is a change in control provisions which trigger earlier and/or larger payments and rewards and there is an absence of service contracts for executive Directors.</li> <li>• The process of engagement prior to the AGM vote fails to produce a remuneration policy that shareholders can support – this represents a serious failure on the part of the Chair of the remuneration committee in what is the most fundamental aspect of their role.</li> </ul> | AGAINST             | Remuneration Report       |

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| Remuneration                      | <p>If:</p> <ul style="list-style-type: none"> <li>The company has repeatedly failed to take investors' concerns into account and fail to respond in what investors consider to be an appropriate fashion.</li> <li>The process of engagement pre-AGM has failed to result in a remuneration policy that shareholders can support, or shareholders feel that the Chair has failed to take on board their concerns about the Remuneration Report.</li> <li>Any revised policy continues, on a repeat basis, to fail to meet the principles outlined above.</li> </ul>  | AGAINST             | Remuneration Committee Chair (if in post for over one year) |
| Climate Change and Sustainability | <p>If:</p> <ul style="list-style-type: none"> <li>There is insufficient disclosure on how a company intends to monitor and manage the risks and opportunities brought about by climate change.</li> <li>The business has operations which are highly carbon intensive and there has been no disclosure of the climate-related assumptions which underlie their financial calculations, or where those assumptions are not consistent with the Paris Agreement.</li> <li>The business has operations which are highly carbon intensive and there is no commitment to disclose memberships and involvement in trade associations that engage on climate-related issues.</li> </ul> | AGAINST             | Annual Report and Accounts                                  |

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|-----------------------------------|---|---------------------|---------------------------|
| Climate Change and Sustainability | If: <ul style="list-style-type: none"> <li>• There are no plans to align senior Executive remuneration to performance against relevant sustainability metrics within a reasonable timeframe.</li> <li>• The business has operations which are highly carbon intensive and has not included at least one climate-related metric in the calculation of executive incentives. The metrics also should not be contradictory.</li> </ul> | AGAINST             | Remuneration policy       |

| ISSUE                             | PLSA STATEMENT   | VOTE OUTCOME (VOTE) | VOTE OUTCOME (RESOLUTION) |
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| Climate Change and Sustainability | <p>If:</p> <ul style="list-style-type: none"> <li>Shareholders have attempted to engage on the issue and companies have still failed to demonstrate effective board ownership, for example providing a detailed risk assessment and response to the effect of climate change on the business, or incorporating appropriate expertise on the board.</li> <li>The business is not already moving towards disclosures consistent with mandatory TCFD obligations or, where relevant CDSB, SASB or another established third party framework. For smaller businesses, they are not readying themselves at a pace proportional to the resources available and the TCFD roadmap.</li> <li>The business has operations which are highly carbon intensive and has not made sufficient progress in providing the market with investment relevant climate disclosures including committing to publish science-based targets.</li> <li>The company has not listened to investor concerns about any direct or indirect corporate lobbying activity whose objectives are considered to frustrate climate change mitigation.</li> <li>The company has not responded appropriately to the result of a climate change related resolution, whether binding or not, and whether it was passed or not.</li> <li>The company efforts to mitigate agricultural commodity-driven deforestation are considered insufficient.</li> </ul> | AGAINST             | Directors; Chair          |
| Climate Change and Sustainability | Investors should also consider voting in favour of relevant climate-related or similar resolutions – including Say on Climate resolutions – by making assessments on a case-by-case basis.   | FOR                 | Shareholder resolution    |

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|----------------------------------|---|---------------------|--------------------------------|
| Social Factors and Workforce     | <p>If:</p> <ul style="list-style-type: none"> <li>FTSE 100 companies do not have a formal approach to workplace wellbeing disclosure, including mental health management and disclosure.</li> <li>After engagement initiatives with companies, there is insufficient progress on wellbeing activities disclosures.</li> <li>FTSE 350 companies fail to address the legal minimum requirements of the Modern Slavery Act.</li> </ul>   | AGAINST             | Annual Report and Accounts     |
| Social Factors and Workforce     | <p>If:</p> <ul style="list-style-type: none"> <li>Companies identified as highly exposed to modern slavery risks, or where there have been confirmed incident, fail to demonstrate an adequate risk management and a willingness to change their approach.</li> <li>Companies do not adopt sufficient measures to prevent, monitor, mitigate or remediate negative human rights impacts within its operations.</li> </ul>   | AGAINST             | Directors                      |
| Capital Structure and Allocation | <p>If:</p> <ul style="list-style-type: none"> <li>The dividend does not seem sustainable and appropriate, when considered in the context of the financial position, maturity and business strategy, or where issues such as DRC are not appropriately reflected.</li> <li>There is no cash dividend available as an option to a scrip dividend or equivalent.</li> <li>They have concerns regarding the accounting standards and assumptions used in the metrics provided.</li> </ul> | AGAINST             | Approval of the final dividend |
| Capital Structure and Allocation | <ul style="list-style-type: none"> <li>Section 551 and Section 570 Resolutions are bundled together. The issuance is not consistent with Pre-Emption Principles without a satisfactory explanation.</li> </ul>  | AGAINST             | Issuance of new shares         |

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| Capital Structure and Allocation | <p>If:</p> <ul style="list-style-type: none"> <li>The resolution proposes a waiver of Rule 9 of the Takeover Code.</li> <li>The buyback is not deemed a prudent use of the company's cash resources, is not supported by cash flows of the underlying business and introduces excessive and unsustainable leverage.</li> </ul>   | AGAINST             | Market purchase of shares                  |
| Capital Structure and Allocation | <p>If:</p> <ul style="list-style-type: none"> <li>An RPT has not been subject to proper oversight by the board and regular review (through the audit or shareholder approval).</li> <li>The RPT is not: clearly justified or beneficial to the company; undertaken in the normal course of business; on fully commercial terms; in line with best practice; or in the interests of all stakeholders.</li> </ul>  | AGAINST             | Related party transactions                 |
| Capital Structure and Allocation | <p>If:</p> <ul style="list-style-type: none"> <li>There is an unsustainable level of interim dividends issued and they have reason to believe that this is being done to avoid shareholder scrutiny. Please note that this is a serious issue and if investors have concerns in this space, they could accompany this with a vote against the Annual Report and Accounts.</li> <li>Shares are issued outside of the Pre-Emption Group Principles.</li> </ul> | AGAINST             | Chair                                      |
| Capital Structure and Allocation | <ul style="list-style-type: none"> <li>Company has a dual class share structure without a sunset clause of seven years or less from the date of the IPO.</li> </ul>  | AGAINST             | Governance Committee (or equivalent) chair |
| Taking a Holistic Approach       | <ul style="list-style-type: none"> <li>Report has not fulfilled its purpose of giving insight into the company's strategy, vision and business model.</li> </ul>   | AGAINST             | Annual Report and Accounts                 |

| ISSUE                      | PLSA STATEMENT   | VOTE OUTCOME (VOTE) | VOTE OUTCOME (RESOLUTION)                   |
|----------------------------|--|---------------------|---|
| Taking a Holistic Approach | <p>If:</p> <ul style="list-style-type: none"><li>• There are particularly serious concerns about the company's business model, plan or the implementation of its plan for engagement with long-term shareholders.</li><li>• The company seems unwilling to change its approach despite significant investor concerns.</li><li>• The company does not follow corporate governance provisions to respond to dissent.</li></ul> | AGAINST             | Chair; Senior Independent Director; (Board) |