

**VARIANCES WITH VOTING POLICY AND  
CORPORATE GOVERNANCE ENGAGEMENT**

**Enodis plc**

**AGM 15 January**

USS Ltd voted against the re-appointment of a member of the remuneration committee due to large bonuses being awarded in spite of poor company performance. In addition, the performance criteria for the share incentive scheme were weakened without formal shareholder approval, as is best practice, and other conditions were approved by the board for certain directors, pleading 'special circumstances'. USS attended the AGM to express our concerns, together with CIS.

**Capital Radio plc**

**AGM 23 January**

USS Ltd voted against the amendment to the company's share option scheme as the remuneration committee were planning to increase the individual award from 75% to 110% of an individual's basic salary and had discretion to exceed 110% in exceptional circumstances. The new Scheme would also have allowed measures to be re-tested on a number of occasions if performance targets were not met at the first hurdle. USS also voted against the proposed amendments to the company's LTIP which would have allowed the remuneration committee at its discretion to decide the number of shares which would be realisable following a change of control of the company. USS considered this to be an unwarranted relaxation in the performance conditions as it could effectively allow automatic vesting of shares on a change of control of the company. USS abstained on the re-election of one of the directors on the basis that he was on a contract with a notice period of 18 months which is not in line with best practice. A representative from USS attended the AGM to address our concerns to the board.

**Allied Domecq plc**

**AGM 4 February**

USS voted against the re-appointment of the chairman of the remuneration committee as all four executive directors had two-year rolling contracts. In addition, there was insufficient information provided by the company on pay-offs to ex-directors and specific performance conditions of the Share Option Scheme.

**Collins Stewart Holdings plc**

**EGM 17 February**

Although USS did have major concerns with the proposed new share option plan, the resolution was 'bundled' together with an acquisition proposal, which is in breach of best practice as it circumvents shareholders' right to vote on share schemes. As the acquisition was supported by LIO FMs, we abstained on the resolution and our addressed our concerns to the company.

**Scottish Investment Trust plc**

**AGM 28 February**

In conjunction with Hermes and other investors, USS voted against the re-appointment of the chairman of SIT as he had served on the board for 27 years and was a major shareholder, chairman and managing director of an investment bank which had received significant fees from the company for strategic advisory work.

**Merrill Lynch World Mining Trust                      AGM 19 March**

USS overruled a vote against a share buy-back proposal that exceeded 15 months to an abstention as the company puts forward the same resolution every twelve months.

**Liberty International plc    AGM 26 March**

USS Ltd abstained on the report and accounts as the majority of non-executive directors were not considered independent both by USS and the company.