

GENUS Capital Management Pooled Funds

Q4 2018

October 1st - December 31st

Proxy Voting Report

The share buyback boom requires greater investor scrutiny

Share repurchases by companies in North America are soaring. Companies are buying their own shares back from shareholders at rates not seen since 2007. In Canada, the Toronto Stock Exchange's Buyback Index reached 7,000 in October, well above its past range of 4,000 to 6,000.^[1] In the United States, share repurchases have increased by 42 percent from 2016. In 2018, the number of shares repurchased exceeded the number of shares issued.^[2]

Like most aspects of investing, share repurchases have some advantages for investors, but also some drawbacks. Investors tend to like repurchases because they get cash for the shares they sell back to the company. Repurchases also decrease the company's pool of shares, which usually increases the market price of its shares as a result. Finally, share repurchases are often seen as putting a "floor" on the market value of shares, because the share price is unlikely to fall below the amount the company is paying for its own shares. Share repurchases are a boon to companies who need a short-term prop for their share price, especially companies in cyclical boom-and-bust industries such as oil.

However, the share price increases that companies create buying back their shares are somewhat illusory, in that they are not based on the companies' revenues, assets, or other measures of performance. Share repurchases can also produce misleading financial numbers. By reducing the number of shares a company has, repurchases automatically increase financial results measured on a per-share basis or on a ratio, such as earnings per share or return on equity. In these cases, the company's earnings or returns are not really larger; they are simply distributed over a smaller number of shares, creating the appearance of better financial results without a real improvement in those results.

Another drawback of share repurchases is that when companies use large amounts of money to buy back their shares, they cannot invest that money in making their business more sustainable and productive by, for example, purchasing new equipment, making sure employee pension plans are fully funded, or reducing their greenhouse gas emissions.

One of SHARE's biggest concerns about share repurchases is that they can also inflate executives' pay. Executives are usually paid in shares, or in "units" that will vest as shares after a period of time. The higher the value of the shares, the greater the value of the executives' compensation. Moreover, the performance targets companies often use as the basis for executives' incentive pay are the very financial measures that can be inflated by repurchasing shares, such as earnings per share. As a result, by buying back their companies' shares, executives can effectively increase their own pay as well as making their shareholders happy - in the short term, at least - without doing anything to improve company performance.

Shareholders at Cisco Systems (CSCO) filed a proposal to address this issue at the company's annual meeting on December 12, 2018. The shareholder proposal asked Cisco to refrain from using earnings per share or financial ratios such as return on equity in executives' incentive pay plans - measures that are inflated when companies buy back their shares - unless the company adjusts the number of its shares to account for the effect of share repurchases on those financial measures. SHARE voted for this proposal. It would rectify the way share repurchases inflate those measures of executive performance, making it more likely to reflect how well executives actually did their jobs.

Cisco opposed this proposal. The company argued that its share repurchases have little effect on executives' incentive pay. It said the adjustment shareholders were proposing would only have made a difference of one percent in the executives' vested share awards. However, one percent of their awards is not a trivial amount. For the CEO alone, one percent of his awards that vested in 2018 was worth US\$90,000, hardly pocket change.

Cisco Systems's share repurchases have diverted a substantial amount of capital from other uses. In its 2018 fiscal year Cisco spent US\$17.7 billion on share repurchases. That's slightly more than it spent on all of its research and development plus sales and marketing for the same year. It's also substantially more than the company's net income for 2018, which was US\$110 million.

Share repurchases can be good for investors and companies. But given their potential drawbacks, investors need to look closely at how much companies are spending to repurchase their shares and what the consequences are likely to be, such as redirecting capital away from other productive uses or inflating executive pay. A reasoned approach to the use of corporate resources, with a focus on the long term, is most likely to contribute to a sustainable, inclusive and productive economy.

[1] <https://ca.spindices.com/indices/strategy/sp-tsx-composite-buyback-index>

[2] Eric Reguly, "Trump's cherished wealth effect could be a mirage", *The Globe & Mail*, online edition, 9 Nov 2018. <https://www.theglobeandmail.com/business/commentary/article-trumps-cherished-wealth-effect-could-be-a-mirage/>

AUSTRALIA & NEW ZEALAND BANKING GROUP LTD Australia

Ticker Symbol ISIN **AU000000ANZ3**
 Meeting Date **19-Dec-2018** Meeting Type **ANNUAL GENERAL MEETING**

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
RBC INVESTOR SERVICES	000442096	19900	0	06-Dec-2018	Yes

Item	Proposal	Proposed By	Vote	For/Against Management
2	ADOPTION OF THE REMUNERATION REPORT Comments: The bank's executive compensation plan is good in many respects. However, it continues to determine the amounts of the executives' variable incentive pay as a percentage of their fixed pay, which is their salary plus pension. The result is an unjustified increase in the amounts of executives' incentive pay that does not reflect their performance.	Management	Against	Against
3	GRANT OF PERFORMANCE RIGHTS TO MR SHAYNE ELLIOTT Comments: This is the award for the CEO's long-term incentive pay. Aside from the concerns expressed in the comments for Proposal #2, this is an acceptable plan and the amount of his award is reasonable.	Management	For	For
4.A	TO ELECT THE RT HON SIR JOHN P KEY, GNZM AC AS BOARD ENDORSED CANDIDATE	Management	For	For
4.B	TO RE-ELECT MS PAULA DWYER AS BOARD ENDORSED CANDIDATE	Management	For	For
5	MODIFICATION OF THE CONSTITUTION Comments: The proposed amendments to the bank's constitution are being made to conform to recent changes in Australia's law on banking. The changes will also allow shareholders to participate in shareholders' meetings electronically. These are all reasonable changes.	Management	For	For

BHP BILLITON PLC United Kingdom

Ticker Symbol ISIN **GB0000566504**
 Meeting Date **17-Oct-2018** Meeting Type **ANNUAL GENERAL MEETING**

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
RBC INVESTOR SERVICES	000442010	61700	0	26-Sep-2018	Yes
RBC INVESTOR SERVICES	000442088	41500	0	26-Sep-2018	Yes

Item	Proposal	Proposed By	Vote	For/Against Management
1	TO RECEIVE THE 2018 FINANCIAL STATEMENTS AND REPORTS FOR BHP	Management	For	For
2	TO REAPPOINT KPMG LLP AS THE AUDITOR OF BHP BILLITON PLC	Management	For	For
3	TO AUTHORISE THE RISK AND AUDIT COMMITTEE TO AGREE THE REMUNERATION OF THE AUDITOR OF BHP BILLITON PLC	Management	For	For
4	TO APPROVE THE GENERAL AUTHORITY TO ISSUE SHARES IN BHP BILLITON PLC	Management	For	For

Comments: This proposal would allow the company to increase the number of shares, with pre-emptive rights, by no more than 10%. That is an acceptable amount of dilution and it gives the company some flexibility in managing its share capital.

5 TO APPROVE THE AUTHORITY TO ALLOT EQUITY SECURITIES IN BHP BILLITON PLC FOR CASH Management For For

Comments: This proposal would also allow the company to increase the number of shares, but only by a maximum of 2%. That is still an acceptable amount of dilution.

6 TO AUTHORISE THE REPURCHASE OF SHARES IN BHP BILLITON PLC Management Against Against

Comments: BHP uses total shareholder return (TSR) as a measure of executive performance in its incentive compensation plans. TSR is readily increased by repurchasing shares. Thus, this authorization could artificially inflate the company's total shareholder return and give executives an unearned bonus.

7 TO APPROVE THE 2018 REMUNERATION REPORT OTHER THAN THE PART CONTAINING THE DIRECTORS' REMUNERATION POLICY Management For For

Comments: Only the CEO's pay is included in the report. The amount and structure of his compensation is acceptable, and the disclosure is adequate.

8 TO APPROVE THE 2018 REMUNERATION REPORT Management For For

9 TO APPROVE THE GRANT TO THE EXECUTIVE DIRECTOR Management For For

Comments: This is the CEO's long-term bonus. It will vest after 5 years, based on the company's relative TSR over that period.

10 TO APPROVE THE CHANGE OF NAME OF BHP BILLITON LIMITED AND BHP BILLITON PLC Management For For

11 TO RE-ELECT TERRY BOWEN AS A DIRECTOR OF BHP Management Against Against

Comments: BHP Billiton pays some of its directors - they do not say which ones - an additional amount to cover the taxes on their fees. These are called gross-ups. Paying gross-up is widely considered to create potential conflicts of interest for directors, and thus compromises their independence. BHP Billiton also provides directors with other benefits, including tax preparation. As a result, we must consider that none of the directors are independent. We have voted against all of them for this reason.

12 TO RE-ELECT MALCOLM BROOMHEAD AS A DIRECTOR OF BHP Management Against Against

13 TO RE-ELECT ANITA FREW AS A DIRECTOR OF BHP Management Against Against

14 TO RE-ELECT CAROLYN HEWSON AS A DIRECTOR OF BHP Management Against Against

15 TO RE-ELECT ANDREW MACKENZIE AS A DIRECTOR OF BHP Management Against Against

16 TO RE-ELECT LINDSAY MAXSTED AS A DIRECTOR OF BHP Management Against Against

17 TO RE-ELECT JOHN MOGFORD AS A DIRECTOR OF BHP Management Against Against

18 TO RE-ELECT SHRITI VADERA AS A DIRECTOR OF BHP Management Against Against

19 TO RE-ELECT KEN MACKENZIE AS A DIRECTOR OF BHP Management Against Against

Comments: Mr MacKenzie is the chair of the board. In addition to his benefits, his fees are US\$880,000 per year. Compensation at this level makes him, in effect, a member of the company's management and thus not independent. The chair of the board must be an independent director in order to guide the board in its responsibility for overseeing management's performance without a conflict of interest.

BROADRIDGE FINANCIAL SOLUTIONS, INC. [United States](#)

Ticker Symbol **BR** ISIN **US11133T1034**
Meeting Date **08-Nov-2018** Meeting Type **ANNUAL**

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
RBC INVESTOR SERVICES	000442088	11900	0	30-Oct-2018	Yes
RBC INVESTOR	160717026	14300	0	30-Oct-2018	Yes

SERVICES

Item	Proposal	Proposed By	Vote	For/Against Management
1a)	Election of Director: Leslie A. Brun	Management	For	For
1b)	Election of Director: Pamela L. Carter	Management	For	For
1c)	Election of Director: Richard J. Daly	Management	Against	Against
	Comments: Mr. Daly is current Broadridge's CEO. In January 2019, he will become the Executive Chair of the board. The chair of the board cannot be a member of management and still guide the board in its responsibility for overseeing management's performance without a conflict of interest. We have voted against him for this reason.			
1d)	Election of Director: Robert N. Duelks	Management	For	For
1e)	Election of Director: Brett A. Keller	Management	For	For
1f)	Election of Director: Stuart R. Levine	Management	For	For
1g)	Election of Director: Maura A. Markus	Management	For	For
1h)	Election of Director: Thomas J. Perna	Management	For	For
1i)	Election of Director: Alan J. Weber	Management	Against	Against
	Comments: Mr. Weber is the CEO of the Weber Group, and sits on Broadridge's compensation committee. Directors who are chief executives themselves may have conflicts of interest in setting the pay of other executives, and thus are not suitable to be members of compensation committees.			
2)	Advisory vote to approve the compensation of the Company's Named Executive Officers (the Say on Pay Vote).	Management	Against	Against
	Comments: Broadridge paid its top 5 executives 5.7% of its net income last year. This is excessive, and it points to a weak link between the executives' pay and their performance. In fact, about half of their long-term incentive pay is not based on performance at all. This probably contributes to the weak link between pay and performance, which is not in the company's best interests in the long term.			
3)	To approve the 2018 Omnibus Award Plan.	Management	Against	Against
	Comments: This is a share-based compensation plan for executives, that also includes directors and allows them to be paid in stock options. This is not a good compensation practice, for two reasons. First, including directors in a management compensation plan can undermine the board's independence, because it tends to align directors' interests with the interests of the executives whose performance the board is supposed to oversee. Second, stock options reward their recipients for increases in share price. Thus, they give directors an incentive to foster relatively short-term gains in share price, even when this does not result in improved value of the company.			
4)	To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accountants for the fiscal year ending June 30, 2019.	Management	For	For

CISCO SYSTEMS, INC. [United States](#)

Ticker Symbol	CSCO	ISIN	US17275R1023
Meeting Date	12-Dec-2018	Meeting Type	ANNUAL

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
RBC INVESTOR SERVICES	160717017	22100	0	27-Nov-2018	Yes
RBC INVESTOR SERVICES	160717032	89400	0	27-Nov-2018	Yes

Item	Proposal	Proposed By	Vote	For/Against Management
1a	Election of Director: M. Michele Burns	Management	For	For

1b	Election of Director: Michael D. Capellas	Management	For	For
1c	Election of Director: Mark Garrett	Management	For	For
1d	Election of Director: Dr. Kristina M. Johnson	Management	For	For
1e	Election of Director: Roderick C. McGeary	Management	For	For
1f	Election of Director: Charles H. Robbins	Management	Against	Against

Comments: Mr. Robbins is both CEO and chair of the board of Directors. The chair of the board cannot be a member of management and still guide the board in its responsibility for overseeing management's performance without a conflict of interest.

1g	Election of Director: Arun Sarin	Management	For	For
1h	Election of Director: Brenton L. Saunders	Management	Against	Against

Comments: Mr. Saunders is the CEO of Allergan plc, and sits on Cisco's compensation committee. Directors who are chief executives themselves may have conflicts of interest in setting the pay of other executives, and thus are not suitable to be members of compensation committees.

1i	Election of Director: Steven M. West	Management	For	For
2	Approval of amendment and restatement of the Employee Stock Purchase Plan.	Management	For	For

Comments: The plan is not overly dilutive, and it will encourage employees to also be owners of Cisco Systems.

3	Approval, on an advisory basis, of executive compensation.	Management	Against	Against
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Comments: Cisco Systems paid its top 5 executives a total of 73% of the company's net income last year. This is unacceptably high. Using such a large part of the company's profits to pay only 5 people is unsustainable. It limits the funds the company has available to reinvest in itself and its other employees, which is not in its best interests in the long term.

4	Ratification of PricewaterhouseCoopers LLP as Cisco's independent registered public accounting firm for fiscal 2019.	Management	For	For
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5	Approval to have Cisco's Board adopt a policy to have an independent Board chairman.	Shareholder	For	Against
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Comments: The chair of the board must be an independent director in order to guide the board in its responsibility for overseeing management's performance without a conflict of interest. This is a basic tenet of good corporate governance that Cisco would do well to adopt.

6	Approval to have Cisco's Board adopt a proposal relating to executive compensation metrics.	Shareholder	For	Against
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Comments: This proposal seeks to address the effect that share repurchases have on measures of financial performance that are calculated as a percentage or ratio of the number of shares, such as earnings per share. Repurchasing shares will inflate these financial results, without a true improvement in the company's performance. Cisco uses earnings per share and other, similar financial measures as the basis for executives' performance-based incentive pay. This proposal asks the company to adjust how it uses these financial measures in executive compensation so that they aren't artificially inflated by the company's share repurchases. This is a reasonable request that will improve the fairness of its executive compensation.

CLEANAWAY WASTE MANAGEMENT LIMITED Australia

Ticker Symbol		ISIN	AU000000CWY3
Meeting Date	25-Oct-2018	Meeting Type	ANNUAL GENERAL MEETING

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
RBC INVESTOR SERVICES	000442100	0	631000		Yes

Item	Proposal	Proposed By	Vote	For/Against Management
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2	REMUNERATION REPORT	Management
3.A	RE-ELECTION OF RAY SMITH AS A DIRECTOR OF THE COMPANY	Management
3.B	RE-ELECTION OF EMMA STEIN AS A DIRECTOR OF THE COMPANY	Management
4.A	GRANTING OF PERFORMANCE RIGHTS TO VIK BANSAL UNDER THE LONG- TERM INCENTIVE PLAN	Management
4.B	GRANTING OF PERFORMANCE RIGHTS TO VIK BANSAL UNDER THE TOX FREE INTEGRATION INCENTIVE PLAN	Management
4.C	GRANTING OF PERFORMANCE RIGHTS TO VIK BANSAL UNDER THE DEFERRED EQUITY PLAN	Management
5	INCREASE IN NON-EXECUTIVE DIRECTOR AGGREGATE FEE POOL	Management
6.A	RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS	Management
6.B	AMENDMENT OF PROPORTIONAL TAKEOVER PROVISIONS	Management
7	FINANCIAL ASSISTANCE IN CONNECTION WITH TOX FREE ACQUISITION	Management

FAST RETAILING CO.,LTD. [Japan](#)

Ticker Symbol		ISIN	JP3802300008
Meeting Date	29-Nov-2018	Meeting Type	ANNUAL GENERAL MEETING

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
RBC INVESTOR SERVICES	000442029	1200	0	19-Nov-2018	Yes

Item	Proposal	Proposed By	Vote	For/Against Management
1.1	Appoint a Director Yanai, Tadashi	Management	Against	Against
	Comments: Mr. Yanai is both CEO and chair of the board of Directors. The chair of the board cannot be a member of management and still guide the board in its responsibility for overseeing management's performance without a conflict of interest.			
1.2	Appoint a Director Hambayashi, Toru	Management	For	For
1.3	Appoint a Director Hattori, Nobumichi	Management	For	For
1.4	Appoint a Director Shintaku, Masaaki	Management	For	For
1.5	Appoint a Director Nawa, Takashi	Management	For	For
1.6	Appoint a Director Ono, Naotake	Management	For	For
1.7	Appoint a Director Okazaki, Takeshi	Management	Against	Against
	Comments: Only 5 of this company's 9 directors, or 55%, are independent of management. Two-thirds of the directors must be independent in order to ensure that the board can oversee management without conflicts of interest. For this reason, we have voted against the directors who are not independent. Mr. Okazaki is an executive of Fast Retailing.			
1.8	Appoint a Director Yanai, Kazumi	Management	Against	Against
	Comments: See the comments for Mr. Okazaki. Mr. Kazumi Yanai is also an executive of Fast Retailing.			
1.9	Appoint a Director Yanai, Koji	Management	Against	Against
	Comments: See the comments for Mr. Okazaki. Mr. Koji Yanai is also an executive of Fast Retailing.			
2.1	Appoint a Corporate Auditor Tanaka, Akira	Management	Against	Against
	Comments: Mr. Tanaka is a former executive of Fast Retailing, and thus is not independent of the company. All corporate auditors should be independent, so that they can oversee the annual audit without potential conflicts of			

interest.

2.2 Appoint a Corporate Auditor Kashitani, Takao

Management For For

KONINKLIJKE PHILIPS N.V. [Netherlands](#)

Ticker Symbol **ISIN** **NL0000009538**
Meeting Date **19-Oct-2018** Meeting Type **EXTRAORDINARY GENERAL MEETING**

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
RBC INVESTOR SERVICES	000442100	19300	0	11-Sep-2018	Yes

Item	Proposal	Proposed By	Vote	For/Against Management
1	IT IS PROPOSED TO APPOINT DR. A. MARC HARRISON AS MEMBER OF THE SUPERVISORY BOARD WHERE ALL DETAILS AS LAID DOWN IN ARTICLE 2:158 PARAGRAPH 5, SECTION 2: 142 PARAGRAPH 3 OF THE DUTCH CIVIL CODE ARE AVAILABLE FOR THE GENERAL MEETING OF SHAREHOLDERS. THE APPOINTMENT WILL BE MADE AS PER OCTOBER 19, 2018. MEMBERS OF THE SUPERVISORY BOARD MAY BE (RE-) APPOINTED FOR THE TERM OF FOUR YEARS AS LAID DOWN IN THE ARTICLES OF ASSOCIATION. IN LINE WITH THE DUTCH CORPORATE GOVERNANCE CODE, DR. HARRISON'S TERM OF APPOINTMENT WILL EXPIRE AT THE END OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD IN 2022. UPON THE PROPOSED APPOINTMENT, THE SUPERVISORY BOARD WILL CONSIST OF NINE MEMBERS, THREE WOMEN AND SIX MEN, WITH EIGHT NATIONALITIES	Management	For	For
2	IT IS PROPOSED TO SET THE YEARLY REMUNERATION FOR THE MEMBERS OF THE SUPERVISORY BOARD AS FOLLOWS THE MEMBERS EUR 100.000,- THE VICE CHAIRMAN EUR 115.000,- THE CHAIRMAN EUR 155.000,- ABOVE THIS BASIS REMUNERATION THE FOLLOWING SUPPLEMENTS WILL BE PAYABLE FOR COMMITTEE MEMBERS: AUDIT COMMITTEE: MEMBERS EUR 18.000,- CHAIRMAN EUR 27.000,- THE OTHER 3 COMMITTEES (REMUNERATION COMMITTEE QUALITY AND REGULATORY COMMITTEE CG AND NOMINATION AND SELECTION COMMITTEE): MEMBERS EUR 14.000,- CHAIRMAN EUR 21.000,- ALL OTHER FEES AND REIMBURSEMENTS REMAIN UNCHANGED. IN ADDITION, THE SUPERVISORY BOARD IS PROPOSING TO REVIEW FEE LEVELS IN PRINCIPLE EVERY THREE YEARS IN ORDER TO MONITOR AND TAKE ACCOUNT OF MARKET DEVELOPMENTS AND MANAGE EXPECTATIONS FROM OUR KEY STAKEHOLDERS	Management	For	For

Comments: This will increase the fees for the supervisory board members by 15% to 40%, which is quite a lot. However, the amounts of the board fees after the increase will be comparable to the amounts paid to supervisory boards at other, similar companies.

MICROSOFT CORPORATION [United States](#)

Ticker Symbol **MSFT** **ISIN** **US5949181045**
Meeting Date **28-Nov-2018** Meeting Type **ANNUAL**

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
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RBC INVESTOR SERVICES	000442088	17300	0	14-Nov-2018	Yes
RBC INVESTOR SERVICES	160717026	18000	0	14-Nov-2018	Yes
RBC INVESTOR SERVICES	160717028	13500	0	14-Nov-2018	Yes

Item	Proposal	Proposed By	Vote	For/Against Management
1a	Election of Director: William H. Gates III	Management	For	For
1b	Election of Director: Reid G. Hoffman	Management	For	For
1c	Election of Director: Hugh F. Johnston	Management	For	For
1d	Election of Director: Teri L. List-Stoll	Management	For	For
1e	Election of Director: Satya Nadella	Management	For	For
1f	Election of Director: Charles H. Noski	Management	For	For
1g	Election of Director: Helmut Panke	Management	For	For
1h	Election of Director: Sandra E. Peterson	Management	For	For
1i	Election of Director: Penny S. Pritzker	Management	For	For
1j	Election of Director: Charles W. Scharf	Management	Against	Against
	Comments: Mr. Scharf is an executive officer of the Bank of New York Mellon, and sits on Microsoft's compensation committee. Directors who are chief executives themselves may have conflicts of interest in setting the pay of other executives, and thus are not suitable to be members of compensation committees.			
1k	Election of Director: Arne M. Sorenson	Management	For	For
1l	Election of Director: John W. Stanton	Management	For	For
1m	Election of Director: John W. Thompson	Management	For	For
1n	Election of Director: Padmasree Warrior	Management	Against	Against
	Comments: Ms. Warrior is an executive officer of NIO Inc, and sits on Microsoft's compensation committee. Directors who are chief executives themselves may have conflicts of interest in setting the pay of other executives, and thus are not suitable to be members of compensation committees.			
2	Advisory vote to approve named executive officer compensation	Management	Against	Against
	Comments: Microsoft paid its top 5 executives a total of US\$74 million last year. Although the company is profitable, this is a very large sum to pay just 5 people. In addition, half of the executives' long-term bonus is not based on performance. This limits the effectiveness of the bonus as an incentive to do a good job. It may also contribute to excessive amounts of compensation that are not adequately tied to performance.			
3	Ratification of Deloitte & Touche LLP as our independent auditor for fiscal year 2019	Management	For	For

PAYCHEX, INC. [United States](#)

Ticker Symbol	PAYX	ISIN	US7043261079
Meeting Date	11-Oct-2018	Meeting Type	ANNUAL

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
RBC INVESTOR SERVICES	160717017	11100	0	26-Sep-2018	Yes
RBC INVESTOR SERVICES	160717032	44700	0	26-Sep-2018	Yes

Item	Proposal	Proposed By	Vote	For/Against
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				Management
1a	Election of director: B. Thomas Golisano	Management	Against	Against
	Comments: Only 5 of this company's 9 directors, or 55%, are independent of management. Two-thirds of the directors must be independent in order to ensure that the board can oversee management without conflicts of interest. For this reason, we have voted against those directors who are not independent. Mr. Golisano is the founder of Paychex and its former CEO.			
1b	Election of director: Thomas F. Bonadio	Management	For	For
1c	Election of director: Joseph G. Doody	Management	Against	Against
	Comments: See the comments for Mr. Golisano. Mr. Doody has been an executive of Staples, a vendor to Paychex, within the past 5 years.			
1d	Election of director: David J.S. Flaschen	Management	For	For
1e	Election of director: Pamela A. Joseph	Management	For	For
1f	Election of director: Martin Mucci	Management	Against	Against
	Comments: See the comments for Mr. Golisano. Mr. Mucci is the CEO of Paychex.			
1g	Election of director: Joseph M. Tucci	Management	Against	Against
	Comments: See the comments for Mr. Golisano. Mr. Tucci has been the CEO of EMC Corporation, a vendor to Paychex, within the past 5 years.			
1h	Election of director: Joseph M. Velli	Management	For	For
1i	Election of director: Kara Wilson	Management	For	For
2	ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION.	Management	Against	Against
	Comments: Although the amounts the executives were paid are acceptable, the structure of their incentive compensation is not. Half of their long-term bonus is not based on performance. This make the bonus an incentive for not quitting, instead of for doing a good job. In addition, the half of the bonus that is based on performance vests after only 2 years. This does not provide enough emphasis on good long-term management of the company.			
3	RATIFICATION OF SELECTION OF PRICEWATERHOUSECOOPERS LLP TO SERVE AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.	Management	For	For

SAFRAN SA France

Ticker Symbol		ISIN	FR0000073272
Meeting Date	27-Nov-2018	Meeting Type	MIX

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
RBC INVESTOR SERVICES	000442010	12400	0	14-Nov-2018	Yes
RBC INVESTOR SERVICES	000442088	0	4700		Yes

Item	Proposal	Proposed By	Vote	For/Against Management
E.2	MERGER-ABSORPTION OF ZODIAC AEROSPACE COMPANY BY SAFRAN	Management	For	For
	Comments: Safran has already purchased over 90% of Zodiac's shares. This merger agreement completes the acquisition and merges Zodiac into Safran.			
E.3	AMENDMENT TO ARTICLE 10 OF THE BYLAWS	Management	Against	Against
	Comments: The proposed amendment would restrict the voting rights of beneficial owners of Safran shares under certain circumstances. The company does not explain why it is proposing these changes. We cannot approve restrictions on shareholders' voting rights without a good reason.			

E.4	POWERS TO CARRY OUT FORMALITIES	Management	For	For
O.1	AUTHORIZATION TO BE GRANTED TO THE BOARD OF DIRECTORS TO TRADE IN THE SHARES OF THE COMPANY	Management	Against	Against

Comments: Safran is asking shareholders to re-approve its share repurchase program, at a higher purchase price. However, the company uses total shareholder return (TSR) as a measure of executive performance in its incentive compensation plans. TSR is readily increased by repurchasing shares. Thus, this authorization could artificially inflate the company's total shareholder return and give executives an unearned bonus.

SHIRE PLC Jersey

Ticker Symbol		ISIN	JE00B2QKY057
Meeting Date	05-Dec-2018	Meeting Type	COURT MEETING

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
RBC INVESTOR SERVICES	000442010	34000	0	22-Nov-2018	Yes
RBC INVESTOR SERVICES	000442029	16900	0	22-Nov-2018	Yes
RBC INVESTOR SERVICES	000442088	17800	0	22-Nov-2018	Yes

Item	Proposal	Proposed By	Vote	For/Against Management
1	FOR THE PURPOSE OF CONSIDERING AND, IF THOUGHT FIT, APPROVING (WITH OR WITHOUT MODIFICATION) A SCHEME OF ARRANGEMENT PURSUANT TO ARTICLE 125 OF THE COMPANIES (JERSEY) LAW 1991 (AS AMENDED) (THE "SCHEME") BETWEEN THE COMPANY AND THE SCHEME SHAREHOLDERS	Management	For	For

Comments: Takeda Pharmaceuticals is proposing to acquire Shire. Shire shareholders will get US\$30.33 and 0.839 Takeda share for each Shire share they own. This is a premium of about 64%, which makes it a good deal for shareholders. The proxy materials indicate that neither company has plans for Shire's current employees or the communities around the company's plants; this is troubling although not at all unusual. The rest of the deal is reasonable, and is likely to result in a bigger, more profitable company.

SHIRE PLC Jersey

Ticker Symbol		ISIN	JE00B2QKY057
Meeting Date	05-Dec-2018	Meeting Type	SPECIAL

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
RBC INVESTOR SERVICES	000442010	34000	0	22-Nov-2018	Yes
RBC INVESTOR SERVICES	000442029	16900	0	22-Nov-2018	Yes
RBC INVESTOR SERVICES	000442088	17800	0	22-Nov-2018	Yes

Item	Proposal	Proposed By	Vote	For/Against Management
1	THAT FOR THE PURPOSE OF GIVING EFFECT TO THE SCHEME: (A)	Management	For	For

THE DIRECTORS OF THE COMPANY BE AUTHORISED TO TAKE ALL SUCH ACTION AS THEY MAY CONSIDER NECESSARY OR APPROPRIATE FOR CARRYING THE SCHEME INTO EFFECT; (B) THE ARTICLES OF ASSOCIATION OF THE COMPANY BE AMENDED BY THE ADOPTION AND INCLUSION OF A NEW ARTICLE 154; AND (C) CONDITIONAL UPON AND WITH EFFECT FROM THE SANCTIONING OF THE SCHEME BY THE COURT, THE COMPANY, OR SUCH OTHER PERSON AS MAY BE APPOINTED BY THE COMPANY, BE APPOINTED AS AGENT OF THE SCHEME SHAREHOLDERS FOR THE PURPOSES OF UNDERTAKING AND CARRYING INTO EFFECT ANY AND ALL SUCH STEPS, ACTIONS, MATTERS AND PROCEDURES AS MAY, IN THE OPINION OF THE AGENT, BE CONSIDERED NECESSARY, DESIRABLE OR APPROPRIATE PURSUANT TO JAPANESE LAW (INCLUDING, IN PARTICULAR, UNDER ARTICLES 203 AND 204 OF THE JAPANESE COMPANIES ACT (ACT NO. 86 2005) (KAISHA HOU)) IN CONNECTION WITH THE ALLOTMENT, ISSUE AND SETTLEMENT OF THE NEW TAKEDA SHARES PURSUANT TO THE SCHEME, IN EACH CASE AS DESCRIBED IN THE NOTICE OF GENERAL MEETING WHICH IS SET OUT IN THE SCHEME DOCUMENT

STOCKLAND CORPORATION LIMITED Australia

Ticker Symbol		ISIN	AU000000SGP0
Meeting Date	24-Oct-2018	Meeting Type	ANNUAL GENERAL MEETING

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
RBC INVESTOR SERVICES	000442045	655300	0	27-Sep-2018	Yes
RBC INVESTOR SERVICES	000442096	245900	0	27-Sep-2018	Yes

Item	Proposal	Proposed By	Vote	For/Against Management
2	ELECTION OF MS MELINDA CONRAD AS A DIRECTOR	Management	For	For
3	ELECTION OF MS CHRISTINE O'REILLY AS A DIRECTOR	Management	For	For
4	APPROVAL OF THE REMUNERATION REPORT	Management	Against	Against
	Comments: This is almost an acceptable report. The amounts that executives were paid are reasonable, and the disclosure is quite good. Unfortunately, the executives' incentive pay is based on Stockland's earnings per share and total shareholder return. Both are readily inflated by repurchasing shares, without a true improvement in the company's earnings or shareholder return. Stockland repurchased about 4.7 million shares last year, which may have given the executives bonuses they didn't really earn.			
5	GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR	Management	Against	Against
	Comments: This is the CEO's long-term incentive bonus. As noted in the comments for Proposal #5, his bonus is based on measures of performance that can be increased by repurchasing shares. Stockland needs to either refrain from repurchasing its shares, or use different measures of performance for its incentive pay plans.			

TAPESTRY, INC. United States

Ticker Symbol	TPR	ISIN	US8760301072
Meeting Date	08-Nov-2018	Meeting Type	ANNUAL

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
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Item	Proposal	Proposed By	Vote	For/Against Management
1a	Election of Director: Darrell Cavens	Management	For	For
1b	Election of Director: David Denton	Management	For	For
1c	Election of Director: Anne Gates	Management	For	For
1d	Election of Director: Andrea Guerra	Management	For	For
1e	Election of Director: Susan Kropf	Management	For	For
1f	Election of Director: Annabelle Yu Long	Management	For	For
1g	Election of Director: Victor Luis	Management	For	For
1h	Election of Director: Ivan Menezes	Management	For	For
1i	Election of Director: William Nuti	Management	Against	Against
	<p>Comments: Mr. Nuti attended fewer than 75% of the board's meetings last year. Although attendance at board meetings is not the sole determinant of a director's performance, poor attendance makes it difficult for a director to fulfill his or her responsibilities to the board.</p>			
1j	Election of Director: Jide Zeitlin	Management	For	For
2	To consider and vote upon the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending June 29, 2019.	Management	For	For
3	To consider and vote upon the approval, on a non-binding advisory basis, of the Company's executive compensation as described in the proxy statement.	Management	Against	Against
	<p>Comments: Tapestry paid its top 5 executives 7% of its net income last year. This is excessive, and it points to a weak link between pay and performance. Some of this may result from the executives' long-term incentive pay. For executives other than the CEO, 60% of that pay is not based on performance. This arrangement limits the effectiveness of the long-term award as an incentive to do a good job.</p>			
4	To consider and vote upon the approval of the Tapestry, Inc. 2018 Stock Incentive Plan.	Management	Against	Against
	<p>Comments: Under this plan, the potential dilution from Tapestry's share-based compensation would be 14.8%, well above the maximum of 10% that shareholders should accept. This is another indication that executive pay at Tapestry is too high.</p>			

Cleanaway Waste Management Ltd

Meeting Type Annual General Meeting
 Meeting Date 2018-10-25
 Vote Deadline 2018-10-19
 Country AU

Type	#	Title	Recom.	Vote	Comments
	2	REMUNERATION REPORT	F	against	Cleanaway paid its top 2 executives 14% of its net income in the last fiscal year. This is excessive. The executives were paid an additional ad hoc bonus for integrating an acquired company, which would normally be part of an executives' duties. This bonus has contributed to the excessive amounts of executive pay.
	3	RE-ELECTION OF RAY SMITH AS A DIRECTOR OF THE COMPANY	F	for	
	4	RE-ELECTION OF EMMA STEIN AS A DIRECTOR OF THE COMPANY	F	for	
	5	GRANTING OF PERFORMANCE RIGHTS TO VIK BANSAL UNDER THE LONG- TERM INCENTIVE PLAN	F	against	The design of the CEO's long-term incentive bonus is reasonable, except that it is calculated as a multiple of his fixed pay, which is his salary plus his pension benefits. This has the effect of paying him a bonus for his pension, which is not reasonable. This is not a good compensation practice. We cannot support the grant for this reason.
	6	GRANTING OF PERFORMANCE RIGHTS TO VIK BANSAL UNDER THE TOX FREE INTEGRATION INCENTIVE PLAN	F	against	As noted in the comments for proposal 2, this bonus contributes to the CEO's excessive pay.
	7	GRANTING OF PERFORMANCE RIGHTS TO VIK BANSAL UNDER THE DEFERRED EQUITY PLAN	F	for	This is a portion of the CEO's annual bonus that is paid in deferred shares instead of cash. This is acceptable.
	8	INCREASE IN NON-EXECUTIVE DIRECTOR AGGREGATE FEE POOL	F	for	
	10	RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS	F	for	This proposal requires the company to call a meeting and allow shareholders to vote on bids to acquire partial control of the company. This is reasonable, and it allows shareholders to make the final determination on such offers.
	11	AMENDMENT OF PROPORTIONAL TAKEOVER PROVISIONS	F	for	The proposed amendment simply acknowledges that Australia's Securities and Investment Commission has the authority to extend the deadline for shareholders to vote on a partial acquisition.
	12	FINANCIAL ASSISTANCE IN CONNECTION WITH TOX FREE ACQUISITION	F	for	This establishes the guarantors for Cleanaway's financing to acquire Tox Free.

