



FTSE 350 Contested Remuneration Report Votes

July-September 2023

18 October 2023

Georgeson

OVERVIEW

This memo provides an overview of FTSE 350 remuneration report votes that received more than 20% opposition during the third quarter of 2023.

We note that during this period, 83 FTSE 350 companies held their AGM. Three of these issuers received less than 80% support for the approval of their remuneration reports.

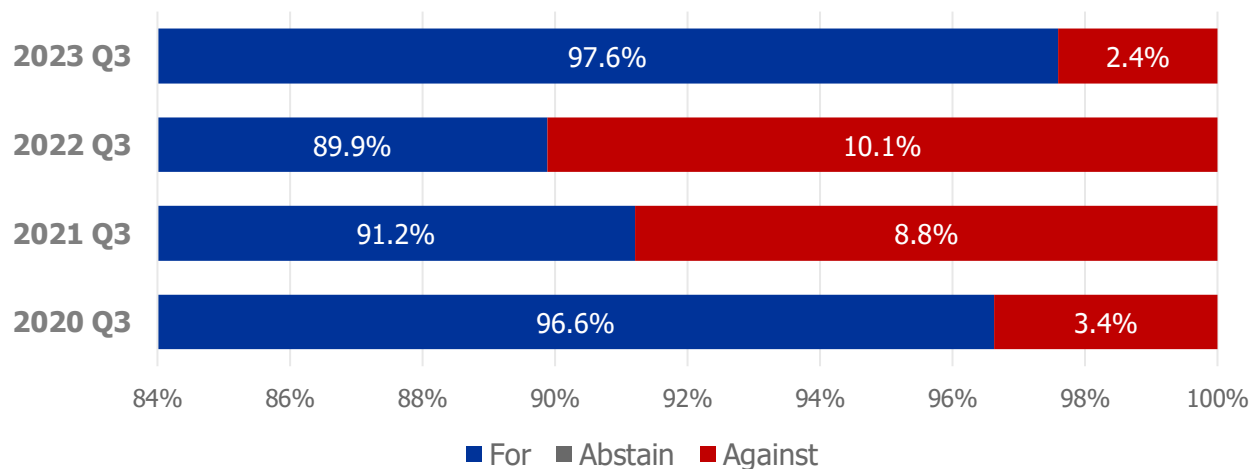
One FTSE 100 company received less than 80% support in the third quarter of the year: RS Group Plc. The remaining two companies were in the FTSE 250: Wizz Air Holdings Plc, and Currys Plc.

FTSE 350: ISS VOTE RECOMMENDATIONS ON REMUNERATION REPORTS

In the period covered, ISS issued a negative recommendation on the approval of the remuneration report at 2 companies (2.4%) out of 83 proposals.

During the same period in 2022, ISS did not support 9 (10.1%) of the 89 remuneration report proposals, compared to 8 (8.8%) of the 91 proposals put forward in the same period of 2021.

ISS recommendations



FTSE 350: SIGNIFICANT DISSENT ON REMUNERATION REPORT RESOLUTIONS

RS Group Plc

FTSE 100

Vote results¹ show that the remuneration report was approved with 61.6% of votes in favour. In last year's vote, the same resolution was approved with 60.8% in favour.

In their 2023 AGM vote result announcement, the company noted that: "The Board notes the outcome of the shareholder vote on resolution 2 (the Directors' Remuneration Report for 2023). With particular reference to the 2022 Remuneration Policy and its implementation, the Committee has valued the opportunity to engage extensively with shareholders on matters relating to executive remuneration, in order to understand and address their perspectives and any concerns. It intends to maintain this open and transparent dialogue over the coming months and in the future. We recognise that executive pay is a topic which can attract strong and often differing opinions amongst investors and we will therefore continue to seek an approach which is balanced, fair, and supports the delivery of the Company's long-term strategy. In accordance with the UK Corporate Governance Code we will publish an update on further engagement within six months of the date of this AGM."

¹ <https://www.rsgroup.com/investors/corporate-governance/agm-information>

² <https://www.thisismoney.co.uk/money/markets/article-12296389/RS-Group-suffers-one-biggest-fat-cat-pay-revolts-year.html>

The Daily Mail reports² that "Shareholders [objected] to a bonus plan 'Journey to Greatness', which could pay out 750 per cent of salary on top of existing incentives. Last year Egan and Ruth earned £3.4million between them."

AGM Date:	13 July 2022
Proxy Advisor	Recommendation
ISS	Against
Glass Lewis	For
IVIS³	Amber
61.6% of votes in favour	

³ IVIS does not provide voting recommendations. Each of their reports are colour coded to reflect any breaches of best practice or to highlight areas of concern. The colour showing the strongest concern is Red, followed by Amber, which shows a significant issue to be considered. A Blue Top indicates no areas of major concern, while a Green Top indicates an issue that has now been resolved.

Wizz Air Holdings plc

FTSE 250

Vote results⁴ show that the remuneration report was approved with 69.0% of votes in favour. In last year's vote, the same resolution passed with 81.5% in favour.

Alongside the Wizz Air Holdings' 2023 remuneration report, the company submitted shareholder proposals for a remuneration policy (71.8% support) and an amendment to its value creation plan (75.3% support).

In their 2023 AGM vote result announcement, the company noted that: "In respect of resolutions 3 and 4, the Company notes that the Chair of the Remuneration Committee held numerous meetings and calls throughout the year on the Directors' Remuneration Policy and has engaged with key shareholders to understand their sentiment to the proposed Directors' Remuneration Policy changes, specifically the extension of the Value Creation Plan. The Board is pleased that resolutions 3 and 4 were passed with 74.0% of votes cast in favour [...] which, following proportionate disenfranchisement, amounts to 72% and 75% in favour, respectively. The Board remains of the view that the leadership of the Company's CEO, József Váradi, is central to delivering Wizz Air's recovery in the coming years and these changes are in the best interests of the Company, its shareholders and other stakeholders. In respect of resolution 2 to approve the Directors' Remuneration Report, the Board recognises that the changes during the year ended 31 March 2023 presented some challenges, but met the commercial context, and is pleased to have 63.1% of votes cast in support of these actions (again, prior to the proportionate disenfranchisement noted below)."

⁴ <https://wizzair.com/en-gb/information-and-services/investor-relations/investors/general-meetings>

The Financial Times reports⁵ that "Investors in Wizz Air approved plans to give the company's chief executive an additional two years to unlock a bonus of £100mn, despite a sizeable opposition at the low-cost carrier's annual meeting. Almost 30 per cent of the airline's free float was cast against a resolution to give József Váradi until 2028 to obtain the one-off award if Wizz Air's share price hits £120. Shares were trading just under £24 on Wednesday."

In an article published before the AGM, the Financial Times also wrote⁶ that "Wizz Air's board is joining others including at some US-listed companies in adjusting management incentive plans to account for the coronavirus pandemic and more recently to inflation and energy disruptions. Some of these adjustments occurred despite poor stock performances."

AGM Date:	2 August 2023
Proxy Advisor	Recommendation
ISS	Against
Glass Lewis	Against
IVIS	Red
69.0% of votes in favour	

⁵ <https://www.ft.com/content/c29911e9-87a6-4dec-8bba-89ff75ac9a1f>

⁶ <https://www.ft.com/content/926cd391-198e-48ae-a7cb-fdea3e363fe7>

Currys Plc

FTSE 250

Vote results⁷ show that the remuneration report was approved with 78.9% of votes in favour. In last year's vote, the same resolution passed with 86.9% in favour.

In their 2023 AGM vote result announcement, the company noted that: "The Board welcomes the 78.85% vote in favour of our Remuneration Report, including the support from most of our large shareholders. However, despite this vote in favour, the Board acknowledges that a significant minority of shareholders did not support this Resolution. Over the past year we have engaged extensively with our shareholders on our approach to executive remuneration. The views of our shareholders are important to us and the feedback we have received to date has been helpful. Our shareholders are diverse and offer a range of different perspectives on our approach, some of which are contradictory. The Remuneration Committee will seek to consult further with shareholders to understand and discuss the specific rationale for any votes against our report."

AGM Date:	7 September 2023
Proxy Advisor	Recommendation
ISS	For
Glass Lewis	For
IVIS	Amber
78.9% of votes in favour	

⁷ <https://www.currysplc.com/investors/regulatory-news/>

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