

TOOLKIT: MATRIX OF SAY-ON-PAY VOTING POLICIES – H-QTIP

H-QTIP	Criteria	Explanation	Supports a no vote	Supports a yes vote
Holding period	Mandatory holding periods	Mandatory holding periods for fully vested share awards, ideally five years or longer post vesting		✓
	Global share retention policies	Required retention of a portion, as a multiple of salary or otherwise, of previously vested shares		✓
	Post retirement/ departure	Required retention of shares for a period after the departure of an executive		✓
	Anti-hedging policies	Appropriate anti-hedging policies are in place in order to ensure full exposure to shares		✓
Quality	Poor transparency	Unclear rationale or narrative that describes remuneration design. Remuneration that is not clearly linked to operational, financial, or stakeholder goals	✗	
	Shareholder approval	Remuneration arrangements that provide discretion to permit material changes without shareholder approval	✗	
	Ad hoc awards	One-off moments of reward that are not clearly linked to performance targets or remuneration policy	✗	
Targets	Rebasing performance targets	Proposals where performance hurdles linked to awards have been reduced, without adequate explanation or extraordinary circumstance. If performance targets for a given year are not met, then awards for that year should be forgone.	✗	
	Using weak performance targets	Performance targets that set too low a bar, are easy to beat, and are not “stretchy” enough	✗	
	Raising the bar	Targets that demonstrate incremental progress over multiple years		✓
	Clarifying non-GAAP targets	Clear explanations for non-GAAP metrics, allowing investors to reconcile metrics with audited financial data		✓
Instruments	Excessive use of stock options	In mature companies, overreliance on stock options, which untethers an executive’s wealth experience from that of the shareholder	✗	
	Shares	In mature companies, restricted shares used as the primary pay instrument in LTIPs		✓

Toolkit continues onto next page

H-QTIP	Criteria	Explanation	Supports a no vote	Supports a yes vote
Progress	General remuneration concerns	Pay that is considered to be excessive, overly short term, or not aligned with company performance	X	
	Escalation	Ongoing concerns with remuneration over multiple years, prompting votes against remuneration committee members	X	
	Incremental change	Remuneration policy that moves in the right direction over time, reflecting a strengthening alignment with long-term investors through share ownership and better long-term incentives		✓