

PPF UK voting record – July to Sept. 2009

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Introduction

As set out in the Statement of Investment Principles, the PPF is committed to exercising its voting rights and to disclosing details of its UK voting activities.

During the period of 1st July to 30th September 2009, the PPF voted 441 resolutions at 32 company meetings. For 93% of votes cast the PPF supported management. For 5% of votes cast the PPF opposed management, on 2% of resolutions the PPF abstained. Details of abstain and oppose votes are provided below.

Company	Meeting Type	Meeting Date	Resolution No.	Resolution Type	Resolution Text	Vote Cast	Reason
British Airways Plc	AGM	14-Jul-2009	7.	MP	Authorize The Directors, Pursuant To And In Accordance With Section 80 Of The Companies Act 1985 To Allot Relevant Securities [as Specified In Section 80[2] Of The Companies Act 1985]: [i] Up To A Nominal Amount Of Gbp 95million; [ii] Comprising Equity Securities [as Specified In The Companies Act 1985] Up To A Further Nominal Amount Of Gbp 95 Million In Connection With An Offer By Way Of A Rights Issue; [authority Expires At The End Of The Next Agm Of The Company Or On 14 Oct 2010 Whichever Is Earlier]; That The Company May Make Offers And Enter Into Agreements During The Relevant Period Which Would, Or Might, Require Relevant Securities To Allotted After The Authority Ends	Abstain	We abstained because we do not support the request for 66% headroom. The company should provide additional justification as to why it feels that the additional 33% headroom is necessary in addition to the traditional 33% headroom allowance.

Company	Meeting Type	Meeting Date	Resolution No.	Resolution Type	Resolution Text	Vote Cast	Reason
BT Group Plc	AGM	15-Jul-2009	2.	MP	Approve The Remuneration Report	Against	We voted against following the Board's decision to increase management fees to Mr. Barrault and grant him full termination awards upon his resignation in 2008, after publicly declaring BT Global Services' performance as 'unacceptable.' We were also concerned to see the company award significant annual bonuses to the former CEO despite missing its key financial targets and recording the first company loss in eight years. Performance-based awards and termination payments should reflect actual performance. We are pleased to see Mr. Livingstone appointed as CEO and we hope his appointment will lead to a return to profitability.
BT Group Plc	AGM	15-Jul-2009	9.	MP	Grant Authority To Allot Shares	Abstain	We abstained because we do not support the request for 66% headroom. The company should provide additional justification as to why it feels that the additional 33% headroom is

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							necessary in addition to the traditional 33% headroom allowance.
BTG Plc	AGM	15-Jul-2009	8.	MP	Approve To The Rules Of Btg Executive Share Options Plan 2009 [the New Plan] As Specified; Authorize The Directors To Make Such Modifications To The New Plan As They May Consider Appropriate To Take Account Of Hm Revenue & Customs, The U.s. Internal Revenue Code Of 1986 And Best Practice And For The Implementation Of The New Plan And To Adopt The New Plan As So Modified And To Do All Such Other Acts And Things As They May Consider Appropriate To Implement The New Plan; And Establish Further Schedules To, Or Plans Based On, The New Plan But Modified To Take Account Of Local Tax, Exchange Control Or Securities Laws In Overseas Territories,	Against	We voted against. Although we welcome the decision to introduce a matrix within the performance conditions we are concerned that the vesting structure permits awards despite significantly underperforming the sector. We strongly encourage the committee to set a more robust mix of targets for each vesting level.

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					Provided That Any Shares Made Available Under Such Further Schedules Or Plans Are Treated As Counting Against The Limits On Individual Or Overall Participation In The New Plan		
Cable & Wireless Plc	AGM	17-Jul-2009	2.	MP	Approve The Director's Remuneration Report For The Ye 31 Mar 2009 As Contained Within The Annual Report And Accounts	Abstain	We abstained because we are concerned that rewards for performance against short-term targets exceed those for long-term targets and could drive short-term decision-making at the expense of long-term strategy.
Cable & Wireless Plc	AGM	17-Jul-2009	2.	MP	Approve The Director's Remuneration Report For The Ye 31 Mar 2009 As Contained Within The Annual Report And Accounts	Abstain	We abstained because we do not support the extension of the long-term performance period by one year, which we regard as a fundamental departure from the original terms of the LTIP. Moreover, we do not support basing this year's grant levels for its senior executives on the basis of what will be calculated as next year's 'market' salary rate-- particularly since this is expected to be a substantial increase.

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							However, given the company's good financial performance, its willingness to dialogue with us on remuneration and the significant equity stakes of senior executives we did not see fit to go so far as to vote against the remuneration plan.
Cable & Wireless Plc	AGM	17-Jul-2009	13.	MP	Authorize The Directors To Set The Auditor's Remuneration	Abstain	We abstained because non-audit fees exceed audit fees, which could compromise the auditor's objectivity.

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Cable & Wireless Plc	AGM	17-Jul-2009	18.	MP	Amend The Rules Of The Cable & Wireless Long Term Incentive Plan As Specified	Against	We voted against because the board retains discretion to accelerate vesting. Current good practice indicates that the company should request shareholder approval before accelerating vesting. In the case of a change of control, options should be rolled forward into any successor company or vest only to the extent that performance conditions have been met and be pro-rated for the actual time elapsed.

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Company	Meeting Type	Meeting Date	Resolution No.	Resolution Type	Resolution Text	Vote Cast	Reason
Cable & Wireless Plc	AGM	17-Jul-2009	19.	MP	Amend The Award To Richard Lapthorne As Specified	Against	We voted against as we do not consider it appropriate for options to be repriced. Share awards should be granted on an regular basis to assist in smoothing share price fluctuations.
D S Smith Plc	AGM	8-Sep-2009	7.	MP	Authorize The Directors To Allot Shares	Abstain	We abstained because we do not support the request for 66% headroom. The company should provide additional justification as to why it feels that the additional 33% headroom is necessary in addition to the traditional 33% headroom allowance.

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Greene King Plc	AGM	8-Sep-2009	2.	MP	Approve The Directors' Remuneration Report For The 52 Weeks Ended 03 May 2009	Against	We voted against to express concern over the level of discretion utilised by the remuneration committee over a number of years with respect to bonus awards. Although we welcome the decision to scale back awards and require a certain level to be deferred in shares, we do not consider it appropriate to retrospectively adjust performance targets during the year.
Investec Plc, London	AGM	13-Aug-2009	17.	MP	Approve To Place Remaining Unissued Shares, Being Variable Rate Cumulative Redeemable Preference Shares, Non-redeemable, Non- Cumulative, Non-participating Preference Shares And The Special Convertible Redeemable Preference Shares Under The Control Of Directors	Abstain	We abstained because we do not support the request for 66% headroom. The company should provide additional justification as to why it feels that the additional 33% headroom is necessary in addition to the traditional 33% headroom allowance.

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Company	Meeting Type	Meeting Date	Resolution No.	Resolution Type	Resolution Text	Vote Cast	Reason
J.Sainsbury Plc	AGM	15-Jul-2009	5.	MP	Re-elect John McAdam As A Director	Against	We voted against because this director sits on the boards of more than four public companies. Directors must have sufficient time and energy to discharge their role properly, particularly during unexpected company situations requiring substantial amounts of time.
J.Sainsbury Plc	AGM	15-Jul-2009	8.	MP	Authorize The Audit Committee To Agree The Auditors' Remuneration	Abstain	We abstained because non-audit fees exceed audit fees, which could compromise the auditor's objectivity.
Marks & Spencer Group Plc	AGM	8-Jul-2009	2.	MP	Approve The Remuneration Report	Against	We voted against the remuneration report because of the excessive reliance on EPS targets in the LTIP calculation. We believe the company should consider additional metrics in its LTIP calculations. These considerations outweighed the agreement of Sir Stuart Rose and Steven Sharp to waive part of their 2009/10 long-term award grants.

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Company	Meeting Type	Meeting Date	Resolution No.	Resolution Type	Resolution Text	Vote Cast	Reason
Marks & Spencer Group Plc	AGM	8-Jul-2009	11.	MP	Grant Authority To Allot Shares	Abstain	We abstained because we do not support the request for 66% headroom. The company should provide additional justification as to why it feels that the additional 33% headroom is necessary in addition to the traditional 33% headroom allowance.
Marks & Spencer Group Plc	AGM	8-Jul-2009	S.16	MP	Approve To Recommend That The Board Brings Forward The Appointment Of An Independent Chairman From Jul 2011 To Jul 2010	Abstain	We abstained on the resolution because we believe that the resolution is overly prescriptive, and the company should not be forced to work under a deadline for this critical appointment. However we also chose not to vote against the resolution because we are sympathetic with its underlying intent, and believe that the board should focus clearly on an orderly succession to separate the chairman and chief executive roles and to ensure an independent chairman is appointed.

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Company	Meeting Type	Meeting Date	Resolution No.	Resolution Type	Resolution Text	Vote Cast	Reason
National Grid Plc	AGM	27-Jul-2009	13.	MP	Authorize The Directors To Issue Ordinary Shares	Abstain	We abstained because we do not support the request for 66% headroom. The company should provide additional justification as to why it feels that the additional 33% headroom is necessary in addition to the traditional 33% headroom allowance.
Qinetiq Group Plc	AGM	4-Aug-2009	15.	MP	Grant Authority To Allot New Shares	Abstain	We abstained because we do not support the request for 66% headroom. The company should provide additional justification as to why it feels that the additional 33% headroom is necessary in addition to the traditional 33% headroom allowance.
Sabmiller Plc, Woking	AGM	31-Jul-2009	10.	MP	Re-elect Mr. M. C. Ramaphosa As A Director Of The Company	Against	We voted against because this director sits on the boards of more than four public companies. Directors must have sufficient time and energy to discharge their role properly, particularly during unexpected company situations requiring substantial amounts of time.

Company	Meeting Type	Meeting Date	Resolution No.	Resolution Type	Resolution Text	Vote Cast	Reason
Scottish And Southern Energy Plc	AGM	23-Jul-2009	8.	MP	Authorize The Directors To Determine The Auditor's Remuneration	Abstain	We abstained because non-audit fees exceed audit fees, which could compromise the auditor's objectivity.
Synergy Healthcare Plc	AGM	16-Sep-2009	8.	MP	Authorize The Directors, Pursuant To Section 80 Of The Companies Act 1985 ['act'] And In Substitution For All Existing Authorities, To Allot Relevant Securities [within The Meaning Of Section 80 Of The Act] Up To An Aggregate Nominal Amount Of Gbp 112,338, Provided That [unless Previously Revoked, Varied Or Renewed]; [authority Expires At The Conclusion Of The Next Agm Of The Company Or On The Date That Is 15 Months]; The Company, Before The Expiry, May Make A Contract To Purchase Ordinary Shares Which Will Or May Be Executed Wholly Or Partly After Such Expiry And The Directors May Allot Relevant Securities After The Expiry	Abstain	We abstained because we do not support the request for 66% headroom. The company should provide additional justification as to why it feels that the additional 33% headroom is necessary in addition to the traditional 33% headroom allowance.

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					<p>Of This Authority In Pursuance Of Such An Offer Or Agreement Made Prior To Such Expiry; And Authorize The Directors To Allot Equity Securities [within The Meaning Of Section 94 Of The Act] In Connection With A Rights Issue In Favor Of Ordinary Shareholders Where The Equity Securities Respectively Attributable To The Interests Of All Ordinary Shareholders Are Proportionate [as Nearly As May Be] To The Respective Number Of Ordinary Shares Held By Them Up To An Aggregate Nominal Amount Of Gbp 112,338; [authority Expires At The Conclusion Of The Next Agm Of The Company Or On The Date That Is 15 Months]; The Company, Before The Expiry, May Make A Contract To Purchase Ordinary Shares Which Will Or May Be Executed Wholly Or Partly After Such Expiry And The Directors May Allot</p>		

Company	Meeting Type	Meeting Date	Resolution No.	Resolution Type	Resolution Text	Vote Cast	Reason
					Relevant Securities After The Expiry Of This Authority In Pursuance Of Such An Offer Or Agreement Made Prior To Such Expiry		
Tate & Lyle Plc	AGM	23-Jul-2009	11.	MP	Approve To Renew The Directors Authority To Allot Shares	Abstain	We abstained because we do not support the request for 66% headroom. The company should provide additional justification as to why it feels that the additional 33% headroom is necessary in addition to the traditional 33% headroom allowance.
Tesco Plc	AGM	3-Jul-2009	16.	MP	Authorize The Directors To Allot Relevant Securities	Abstain	We abstained because we do not support the request for 66% headroom. The company should provide additional justification as to why it feels that the additional 33% headroom is necessary in addition to the traditional 33% headroom allowance.

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Tesco Plc	AGM	3-Jul-2009	21.	MP	Amend The Tesco Plc 2004 Discretionary Share Option Plan	Abstain	We abstained as we are not opposed to the good leaver plan in principle, but are concerned about the implications for future awards. We would expect the incremental increase in the expected value of the award to be taken into account when determining the face value of the grant.
Tesco Plc	AGM	3-Jul-2009	S.23	MP	Please Note That This Resolution Is A Shareholder Proposal: Approve The Requisitionists Resolution	Abstain	F&C abstained on this shareholder proposal as it is a bundled resolution, and while F&C could support elements of the recommended steps were they separate, we oppose bundled resolutions on principle. We would also refrain from endorsing the proposal in its entirety due to specific concerns in its content. We recognise that the resolution raises legitimate concerns about treatment of workers in the meat and poultry processing supply chain, and note that there is some anecdotal evidence that the company's supply chain may not be meeting the

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							<p>company's own labour standards nor those of the ETI, of which it a member. F&C and believes that the framework of the requests are not unreasonable but they are somewhat too prescriptive. On the specific requests of the resolution, we note that: 1) Tesco's existing KPI disclosure already reflects good practice and we therefore did not feel it appropriate to bind the company to further commitments; 2) Evidence of labour standards breaches in the company's supply chain is currently unsubstantiated; and 3) The filers raise an industry-wide issue which, if proven, will require support to suppliers at an industry level. We believe Tesco should lead the industry but not predetermine the outcome of the temporary worker debate. We urge the company to consider: 1) improving independent oversight and accountability for its CR commitments; 2)</p>

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							publishing the result of its independent performance assessment from the ETI, which will serve to reassure stakeholders or at least build credibility for the company's transparency; 3) better demonstrate that it has consistent standards across all its markets (UK vs international) and all its products (food vs non-food); 4) make use of existing forums to address labour concerns, and engage in the ongoing industry debate; and 5) improve its liaison with stakeholders and address its challenges upfront.
The British Land Co Plc	AGM	10-Jul-2009	12.	MP	Approve The Remuneration Report And Accounts 2009 And The Policy As Specified	Abstain	We abstained because we do not consider it appropriate to have awarded significant bonus awards during a period of sustained decline in shareholder returns. We also question the decision to award pay increases given the current economic climate.

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Vedanta Resources Plc, London	AGM	27-Jul-2009	2.	MP	Approve The Directors' Remuneration Report For The Fye 31 Mar 2009	Abstain	We abstained because this plan allows for the vesting of more than one-third of the performance award when the target threshold is reached. Targets should be designed to drive superior performance and should only generate significant payouts when threshold targets are exceeded.
Yell Group Plc, Reading Berkshire	AGM	24-Jul-2009	2.	MP	Approve The Directors Remuneration Report	Against	We voted against as we do not consider that the size if awards granted adequately reflect the destruction of value of the previous performance period. Given the significant fall in the market capitalisation, base salaries are now completely out of line with the benchmark which is driving excessive payments under the variable elements of the incentive arrangements.