Janus Henderson INVESTORS

2019 ESG COMPANY ENGAGEMENT & VOTING REVIEW

Environmental, Social & Governance (ESG)

INTRODUCTION

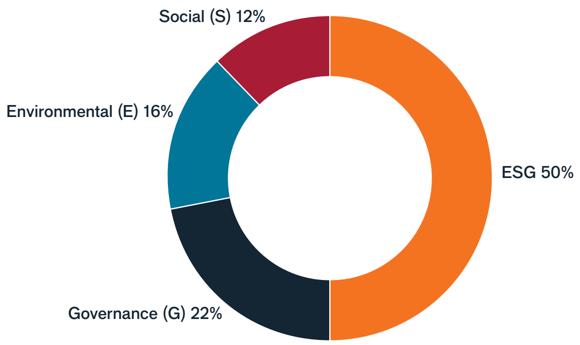
Janus Henderson Investors is a leading global active investment manager committed to helping our clients achieve their long-term financial goals. We seek to be at the forefront of anticipating and adapting to change to deliver long-term market-leading, risk-adjusted returns. That commitment includes a focus on managing our business and clients' assets in support of long-term sustainable business practices.

In line with our ***Knowledge Shared*** ethos, we seek to provide transparency of this approach and share investment insights to support our clients in meeting their goals. This report provides an overview of work undertaken on environmental, social and governance (ESG) engagement across the firm in 2019, and shared on our internal research platform, as well as a summary of proxy voting activity. Voting examples within the report are based on all portfolios where Janus Henderson's portfolio managers have voting authority and where the voting position was the same across all portfolios. Subsidiaries of Janus Henderson, such as Perkins and Intech, are not included within the report's findings.

Stewardship is an integral and natural part of Janus Henderson's long-term, active approach to investment management. Strong ownership practices, such as management engagement and proxy voting, can help protect and enhance long-term shareholder value. Janus Henderson entities support a number of stewardship codes, such as the UK and Japanese stewardship codes, and broader initiatives around the world including the UN Principles for Responsible Investment.

Janus Henderson's investment teams share the results of company engagement and ESG research on a centralised research platform. Company engagement is tagged when ESG themes form a material component of the engagement. During 2019 we recorded more than 640 company engagements with a distinct ESG component. Where environmental, social or governance issues are a primary engagement topic they are tagged separately, and where ESG issues are covered more broadly they are tagged as ESG. These engagements are most frequently part of regular interactions with company management. They also include the more focused pro-active ESG engagement investment teams implement on particular topics of concern with management or board directors. Also included are examples of thematic and collective engagement, where the in-house Governance and Responsible Investment Team often takes the lead. For 2019 the spread across ESG topics was as follows:

2019 ESG Company Engagements



Source: Janus Henderson as at 31 December 2019.

Summary of Key ESG Engagement Topics

Environmental	Social	Governance
Carbon footprint / Climate change	Data security and privacy	Capital allocation
Recycling / Plastic / Packaging	Diversity	Audit and accounting
Energy transition	Culture	Compensation
Energy efficiency	Access to medicine	Shareholder rights
Biofuels	Tailings dam safety	Board Composition / Diversity
Sustainable fisheries	Drug pricing	Business ethics / Anti-money laundering / Bribery and corruption / Compliance procedures
Food	Employee rights / Talent retention	Sustainability reporting / Targets
Global Real Estate Sustainability Benchmark (GRESB)	Supply chain (sustainable sourcing)	ESG framework / Strategy
	Working conditions / Safety	

Source: Janus Henderson as at 31 December 2019.

Governance

Corporate governance topics make up the largest proportion of company engagement across all of our investment teams. We consider governance to be a key part of fundamental company analysis with good corporate governance practices supportive of long-term decision-making and investment returns.

Our active investment management teams take a long-term view and seek out companies that have a comparable, long-term orientation. The intensive research of our analysts and portfolio managers leads to interaction with companies from around the world, with thousands of company visits and management interviews conducted on an annual basis.

Capital allocation and strategy are at the heart of these engagements with corporate management teams and boards on governance, and form the bedrock of our corporate engagement activity.

The investment teams at Janus Henderson naturally develop long-term relationships with the management of firms in which they invest. Should concerns arise over a firm's practices or performance, we seek to leverage these constructive relationships by engaging with company management or expressing our views through our voting on management or shareholder proposals. Escalation of our engagement activities depends upon a company's individual circumstances. We have a preference for engagement over voting, due to the belief that engagement is generally more productive than simply voting against shareholder meeting proposals. How we seek to escalate concerns we have on governance is very much dependent on local market practice. In markets such as the UK, Europe and the US we regularly engage with the board chair and independent directors when we have concerns about management performance and / or strategy.

We are open to collaboration with other shareholders where this can be aligned with local market legal requirements and potentially offers a better avenue for achieving positive change. In the UK, for example, Janus Henderson is a member of the Investor Forum. This organisation exists to promote collective engagement. During the year we participated in a number of Forum led engagements. We are also an active participant in other initiatives with a heavy focus on governance, such the UK Investment Association, and the Asian Corporate Governance Association, that work to encourage better corporate governance practices at the market level.

Corporate governance is often described as a relatively narrow set of best practices around issues such as board composition, shareholder rights, executive compensation and auditing / financial oversight. Our company engagement on governance frequently addresses these issues. However, we view governance in a much broader context encompassing measures of organisation health such as corporate culture, human capital, innovation capacity and the maintenance of strong stakeholder relationships. Many of our engagements with management teams and boards also address these wider governance issues.

A growing trend in markets around the world is for companies to engage shareholders on an annual basis specifically on corporate governance topics. These meeting frequently address Annual General Meeting (AGM) related issues, or sometimes specific regular engagement topics such as remuneration policy, board composition and succession planning. These governance focused calls, frequently involving non-executive board members, provide an opportunity to raise broader governance topics such as stakeholder relationships. Increasingly, the extent to which the board of directors takes an active approach to overseeing broader ESG policies and practices is seen as an essential component of good governance.

Company Culture, Human Capital & Diversity

Three growing themes in these conversations, recorded on our research platform, have been company culture, human capital and diversity. We believe that a company's board has an important role to play in assessing corporate culture and ensuring the business is fit for purpose. Having a strong line of sight into the business and understanding the views of employees is a key part of this. These themes can be assessed through employee surveys and via key performance indicators, but often there is no substitute for board directors having direct exposure to the company's day-to-day operating environment through site visits and joining employee forums in person. In some markets, such as the UK, the principle of workforce engagement as an important part of good governance has been enshrined in the Corporate Governance Code. The fact that the approach taken by companies to implementing this has not been prescriptive has made it a more valuable engagement topic for us, as there are significant differences between how companies are approaching this issue.

Executive Remuneration

Executive remuneration continues to be an important engagement theme and one that makes up a large number of governance engagements. During 2019 we joined numerous shareholder consultations on executive pay, particularly in the UK, Europe and the US where shareholder consultation is more standard practice. While we are very conscious of different local market practices on pay, all of our investment teams share common goals including alignment of performance metrics with long-term company performance, encouraging greater management share ownership and consideration of pay and conditions throughout the company.

Environment

Janus Henderson's investment teams engage on a broad range of environmental issues most material to the companies and sectors they invest in. While broad themes such as climate change are relevant to all sectors, the implications for difference sectors such as technology companies, property companies and natural resource companies are very different and this is reflected in our engagement approach.

The most regular theme of company engagement on environmental issues is directly investment related, in terms of a company's sustainability / value proposition. Rapid changes in regulation and customer demand in relation to the energy transition are resulting in significant shifts in capital allocation towards more sustainable technologies. At the same time the market has begun to ascribe higher valuations for companies with stronger environmental credentials in their underlying and future product portfolio. In sectors such as transport, utilities and energy, environmental issues are frequently amongst the most important engagement topics in a standard meeting with company management.

Often, the environmental challenges facing sectors are structural in nature and cannot be solved by any one company alone. They require industry wide solutions. Therefore, as well as engaging with individual companies, we also look to participate in and support wider initiatives to promote sustainability.

In the property sector Janus Henderson supports the Global Real Estate Sustainability Benchmark (GRESB) as the leading benchmarking initiative for property companies. We consider GRESB data to be the preeminent source of environmental data on real estate companies, and we continue to use this to inform our engagement with real estate companies and to encourage their active participation.

Elsewhere, within the banking sector, environmental engagement has been focused on topics such as 'green finance' or 'green lending' (forms of investment/lending that are positively linked to environmental and/or social factors) as well as exposure to environmental risks such as stranded assets.

Food Policy

Another research and engagement theme during 2019 was around food policy. We joined a collaborative initiative titled 'Plating Up Progress' that provided a multi-stakeholder approach to the question of how to make food production more sustainable. This addresses critical food-related challenges including climate change, biodiversity loss and water scarcity. We engaged with a range of food companies during the year including retailers, producers and restaurant chains on environmental impacts.

There is an inevitable tension in many companies between the competing demands of sustainable food production and cheap food. Many of the companies we engaged with recognise this and are working to introduce more sustainable practices into their supply chain. As such, we have also engaged with companies that provide inputs into the sector, such as chemicals and agriculture companies. We also encourage better practices by supporting leading benchmarking initiatives such as the Business Benchmark on Farm Animal Welfare, which rates companies according to a broad range of criteria of best practices. Another related theme is plastic waste and how companies such as retailers are taking steps to avoid food / packaging waste and encouraging supplier innovation.

Reporting and Transparency

The overall quality of environmental data on companies is still relatively poor, which impacts negatively on investors' ability to compare corporate environmental performance. Much of our environmental engagement is therefore focused on encouraging improved reporting and transparency. We do this both as a supporter of industry initiatives such as the Carbon Disclosure Project and the Institutional Investor Group on Climate Change, and also at the individual company level, encouraging more meaningful reporting using industry standards such as the Task Force on Climate-related Financial Disclosures. A positive trend we have seen is for companies to hold investor events focused specifically on sustainability issues, and we expect this to increase.

Climate Change

Janus Henderson is an active supporter of Climate Action 100+. This collaborative investor initiative aims to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. The companies include 100 'systemically important emitters', accounting for two-thirds of annual global industrial emissions, alongside more than 60 others with significant opportunity to drive the clean energy transition. During the year we joined collective engagements with a range of oil and gas, mining and metals companies that are widely held across Janus Henderson, encouraging stronger moves to reduce emissions and accelerate the energy transition.

In addition to company engagement, we also seek to engage with a wider range of stakeholders on environmental and social issues including research providers and non-government organisations. This engagement frequently helps us gain a broader insight into company sustainability performance, sector-wide issues and also allows us to provide feedback to these groups on how to make their research more impactful to investors. For example, we provide regular feedback to major research providers on how they can enhance their ESG research and scoring methodologies.

Social

The most regular social topics investment teams engaged management on in 2019 were to do with human capital, workforce issues, diversity, customer satisfaction, business ethics and supply-chain issues.

Human capital is a constant theme of company engagement. Many of our investment teams focus heavily on investee companies' ability to innovate and generate organic growth, and therefore company investments in research and development (R&D) and their approach to attracting and retaining top talent are key subjects of conversation with management teams.

Technology Themes
A major theme in our engagement with technology companies in recent years has been a focus on privacy, data security, and customer well-being. During the year we have had multiple engagements with technology companies to discuss ESG issues, with a focus on how they are responding to growing public pressure for greater transparency and accountability in the sector. The threat of regulation is a key risk, and some companies are clearly better positioned to respond than others. We encourage a more pro-active approach to stakeholder dialogue as an important way for technology companies to retain their license to operate.

Business Ethics & Compliance
Business ethics and compliance issues have been ever present across various sectors in recent years. Banking and healthcare have been on the front line. Many of our investment teams with significant holdings in these two sectors have engaged with management teams on their policies and processes in place to guard against misconduct. In banking, issues such as money laundering controls have risen to the fore following a wave of European scandals at banks that failed to put in place adequate safeguards. In the pharmaceutical sector issues around product miss-selling and unethical marketing practices have also been a reoccurring theme and one we have engaged on repeatedly over the year.

Access to Medicine Index
Janus Henderson is a longstanding supporter of the Access to Medicine Index initiative. The index ranks 20 of the world's largest pharmaceutical companies based on seven areas of behaviour linked to access: strategy, governance, R&D, pricing, licensing, capacity building and donations. During 2019 we engaged with pharma companies encouraging them to actively participate in the survey that underpins the Index. We recognise that no survey is perfect when scoring companies with very different product portfolios. Nevertheless, we view the initiative as having a strong positive impact on the sector in raising transparency and helping to promote best practices. Our conversations with companies have focused on the wider context behind their access to medicine efforts, with a particular focus on governance and the extent to which the board and senior management team take an active role in overseeing strategy.

Mining & Tailings
Early in 2019 Janus Henderson joined a collaborative investor engagement on mining and tailings (by-products left over from mining and extracting resources) safety. The initiative was set up following the Brumadinho dam disaster in Brazil, which itself followed the 2015 Mariana dam disaster. Both disasters had negative impacts on the environment but also had significant social consequences with the loss of many lives and thousands of people being left homeless. Safety was the primary objective of the engagement with the aim to transform the quality of company reporting on exposure to tailings dam risks, and thereby facilitates investor dialogue with companies to ensure companies are managing these risks appropriately. Janus Henderson has been represented on the steering group of the initiative and has been involved in both the initial investor request for information and follow-up engagements with companies. The initiative has made good progress with a significant number of detailed responses from mining companies to the initial information request.

Proxy Voting

Janus Henderson typically exercises the voting rights on behalf of clients at meetings of all companies in which we have a holding. Exceptions may occur if a client retains voting rights, or where share blocking, voting restrictions or other unique situations may apply.

As an active manager our preference is to engage with management and boards to resolve issues of concern rather than to vote against shareholder meeting proposals. In our experience this approach is more likely to be effective in influencing company behaviour. We therefore actively seek to engage with companies throughout the year and in the build up to annual shareholder meetings to discuss any potentially controversial agenda items. However, we will vote against a board recommendation when we believe proposals are not in shareholder interests or where engagement proves unsuccessful.

To assist us in assessing the corporate governance of investee companies we subscribe to ISS (an independent proxy voting adviser). ISS provides voting recommendations based upon Janus Henderson's corporate governance policies, and highlights key voting issues requiring review by investment teams. Our in-house Governance and Responsible Investment Team works with our investment teams and provides input into voting decisions. Portfolio managers have ultimate voting authority.

Proxy Voting Committee
Janus Henderson has a Proxy Voting Committee, which is responsible for developing Janus Henderson's positions on major voting issues, creating guidelines and overseeing the voting process. The committee is comprised of representatives of investment accounting, compliance, portfolio management and governance and responsible investment. Additionally, the Proxy Voting Committee is

responsible for monitoring and resolving possible conflicts of interest with respect to proxy voting. During 2019 all conflicts of interest identified as part of the voting process were referred to the Proxy Voting Committee and resolved in accordance with our policy and procedures.

Stock Lending

Stock lending makes an important contribution to market liquidity and provides additional investment return potential for our clients. However, stock lending also has important implications for corporate governance policy as voting rights are transferred with any stock that is lent. We maintain the right to recall lent stock across all our portfolios under management for voting purposes. All decisions to recall stock are made by the relevant portfolio managers.

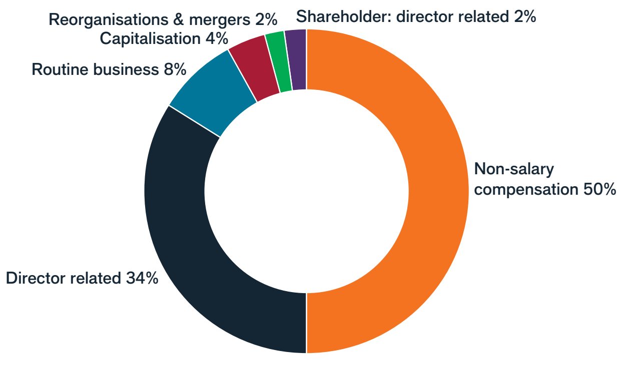
2019 Proxy Voting

Overall, Janus Henderson voted at 3,657 shareholder meetings in 2019. On average we voted against board recommendations on 7% of resolutions. This works out as a vote against the board recommendation on at least one resolution at one-third of shareholder meetings.

Below we highlight key proxy voting themes across major global markets together with examples of some notable meetings where Janus Henderson voted against board recommendations. Notable meetings have been selected to highlight the most frequently reoccurring issues on which Janus Henderson voted against board recommendations and meetings with unusually high levels of shareholder opposition.

UK – 2019 Proxy Season Themes and Notable Meetings

Votes Against by Resolution Type



Source: Janus Henderson as at 31 December 2019. The chart may not add up to 100% due to rounding.

During the year the voting issue on which we most frequently voted against board recommendations in the UK was executive remuneration. We take a pragmatic view when considering executive remuneration proposals taking account of each company's unique circumstances. We also spend considerable time engaging with companies outside of the AGM to give feedback on remuneration consultations. Ultimately, the most important factor we look for is alignment between management and shareholders in remuneration design, outcomes and the application of remuneration committee discretion.

Examples, of where we voted against remuneration reports due to concerns over misalignment during the year included Centrica, Barclays and Hammerson. At Centrica we voted against the remuneration report as we considered pay outcomes were insufficiently aligned with wider company performance. At Barclays our opposition reflected a view that annual variable pay outcomes did not adequately reflect the seriousness of regulatory sanctions due to the company's 2016 whistleblowing incident. At Hammerson, we voted against due to concerns over the failure to fully reflect market conditions and shareholder returns in long-term incentive plan award levels. Overall shareholder opposition at the meetings was 15%, 29% and 30% respectively.

Local Market Codes of Practice

When voting on remuneration issues we also consider compliance with local market code of practice and emerging good practice. For example, we support the UK Governance Code's provision that pension contribution rates for executive directors should be aligned with those available to the workforce. Specifically on this issue, we voted against the remuneration policy at Standard Chartered with the view that the policy did not sufficiently address this issue. The relatively high level of shareholder opposition, at 36%, led to the company subsequently announcing a change in policy to align with the Code.

The second resolution type in the UK market where we most frequently voted against board proposals was the re-election of directors. For example, we abstained on the re-election of directors at Metro Bank Plc due to concerns over corporate governance. The overall level of opposition was approximately 29%.

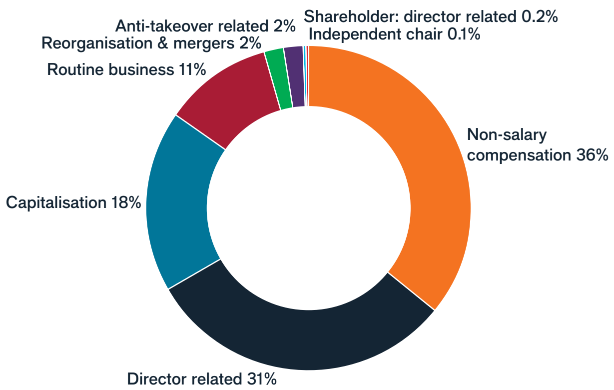
Shareholder Proposals

Shareholder proposals are relatively few and far between in the UK market. Notable meetings with shareholder proposals included BP. We voted in favour of one shareholder proposal to approve the Climate Action 100+ shareholder resolution on climate change disclosures, which was also supported by BPs board of directors.

A second shareholder binding proposal was put forward requiring the company to set and publish greenhouse gas reduction targets aligned with the Paris Agreement. We voted against on the basis that the proposal was excessively prescriptive and that the Climate Action resolution provided a clear steer to the board on the need to continue to enhance climate reporting.

Europe – 2019 Proxy Season Themes and Notable Meetings

Votes Against by Resolution Type



Source: Janus Henderson as at 31 December 2019. The chart may not add up to 100% due to rounding.

One of the notable themes across the major markets of continental Europe was a willingness of shareholders to push back against board directors and executives at companies with poor governance and poor performance. This included significant shareholder opposition to the re-election of directors or on the discharge vote at major banks experiencing ethics violations and serious failures of anti-money laundering operations.

One example of this was Deutsche Bank, which has been subject to significant financial and reputational penalties from failure to operate appropriate anti-money laundering controls. Janus Henderson voted against the discharge of the board and management (a discharge representing a vote of confidence) at the AGM in May 2019, alongside more than a quarter of shareholders.

More notable still was the shareholder meeting of Bayer, a German multinational pharmaceutical and life sciences company. Janus Henderson's portfolio managers were extremely sceptical of the company's acquisition of US seeds and chemicals group Monsanto back in 2016 and made this opposition clear to the chairman and management at the time. Despite substantial shareholder opposition the merger went through without a shareholder vote and has subsequently proven to be disastrous for the company's share price and reputation of the board and management. At the AGM in April 2019 we voted against the discharge of the management board due to significant concerns over the legacy of the Monsanto acquisition.

The meeting proved to be historic, with shareholders rejecting the discharge of the CEO of a major German company for the first ever time.

Another company experiencing shareholder discontent was EssilorLuxxotica. The newly formed French-Italian company has experienced governance issues ever since its merger in 2018. We voted in support of two shareholder proposals to appoint new independent directors to improve board composition and reduce the influence of legacy shareholders. Despite large insider ownership, support for these proposals was very high at 44%, with a clear majority of independent shareholders voting in favour.

In Italy one of the most notable shareholder meetings was that of Telecom Italia. Large shareholder Vivendi sought to take control of the board, but was rebuffed as we sided with other shareholders against this. The absence of a double voting right in this instance made it impossible for Vivendi to exercise control out of proportion to its ownership stake.

Double-Voting Rights

A regular issue of concern in recent years in continental Europe, particularly in France and Belgium, has been the introduction of double-voting rights, which frequently serves to entrench some shareholders at the expense of others. Janus Henderson supports one share one vote as a cornerstone of shareholder rights. At a special meeting held in July 2019, the Belgian industrial company Tessenderlo proposed to amend its articles of association to introduce double-voting rights. Janus Henderson voted against this proposal, alongside approximately 22% of shareholders. This represented a majority of the minority shareholders, but the proposal was carried due to the support of the controlling shareholder.

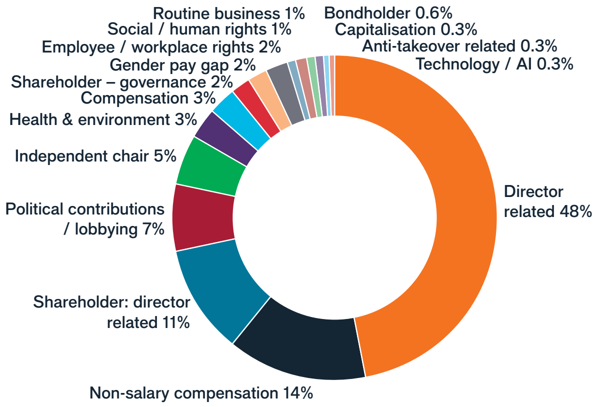
At German chemical and consumer goods company Henkel we voted against a proposed authority to issue shares due to concerns that issuing additional non-voting preferred shares further increased the disparity between ownership and control of the Henkel family. The level of opposition from shareholders led to the company withdrawing the proposal.

Increase in Engagement

A positive trend over the last year has been an increase in the amount of engagement and consultation between companies and shareholders on executive compensation issues. This has led to a reduction in serious shareholder revolts on pay across Europe as compensation plans are frequently adjusted prior to the shareholder meeting. However, executive compensation is still a major voting issue at company meetings, and one we frequently vote against due to concerns such as poor compensation design, lack of alignment or weak association with company performance. An example during the year under review was our opposition to several pay proposals at Vivendi. Shareholder opposition was in excess of one-quarter of shareholders, but in reality far higher given the double-voting rights enjoyed by the largest shareholder, Groupe Bollore.

North America – 2019 Proxy Season Themes and Notable Meetings

Votes Against by Meeting Type



Source: Janus Henderson as at 31 December 2019. The chart may not add up to 100% due to rounding.

The resolution type on which we most frequently voted against board recommendations in the US and Canada was director re-elections. The most common explanations were a lack of board independence and / or a failure to respond to shareholder concerns over issues such as executive compensation or shareholder rights, and poor board practices such as overboarding (directors taking on too many board directorships) and weak board attendance records.

An example of a notable meeting was Fleetcor. The business payments company has been subject to repeated significant votes against the advisory say-on-pay in recent years but in our view has failed to respond adequately to shareholder concerns. This year we voted against the only compensation committee member on the ballot, who received overall shareholder opposition of 46%. Another instance was Acceleron Pharma, where we voted against several board directors due to concerns over weak attendance; the directors received 68% opposition.

At Elanco Animal Health's meeting we voted against a senior board director due to concerns over significant infringements of shareholder rights, overall opposition was 47%.

Increase in Shareholder Opposition

The willingness of shareholders to challenge companies on excessive or poorly aligned executive compensation has grown in recent years, and 2019 saw a number of large opposition votes. The most common rationale for our opposition was a concern over the lack of alignment between pay and performance. A notable meeting in this regard was Puma Biotechnology where we voted against the say on pay due to concerns over an imbalance between share awards to executives and long-term performance. The resolution was defeated by 73% of shareholders. Xerox was another meeting where we voted against the say on pay and it was defeated with 60% opposition. The vote also reflected concerns over lack of pay for performance. Oracle Corporation has long faced shareholder opposition to its say-on-pay, due to the technology company's failure to operate within market norms of good practice on this matter. We again voted against this resolution alongside 42% of shareholders.

The other key topic on which we regularly voted against board recommendations was shareholder proposals on corporate governance.

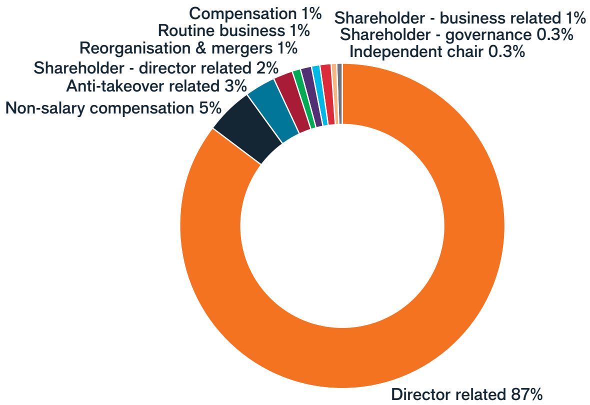
We regularly support proposals to enhance shareholder rights in a proportionate manner. Proposals we supported during the year that achieved majority support included reducing the ownership threshold for shareholders to call special meetings (Citigroup) and adopting a simple majority vote for amending the corporate Charter or Bylaws (Netflix).

Environmental & Social Issues

Shareholder proposals on environmental and social issues continue to increase, and now outnumber corporate governance related proposals. Key topics include political spending proposals, climate-change, labour / human capital, human rights and board diversity. Key sectors include technology and pharmaceutical companies, reflecting growing societal concerns over the tech sector, and the continuing fallout from the opioid crisis. Janus Henderson's investment teams vote on environmental and social related shareholder proposals on a case-by-case basis, reflecting the views of our analysts and portfolio managers, their in-depth knowledge of companies and including inputs from our engagement work. A shareholder proposal type we frequently supported was for greater transparency on corporate lobbying payments and policy. Examples included biopharmaceutical AbbVie and pharmaceutical Eli Lilly, which achieved 25% and 26% support respectively.

Japan – 2019 Proxy Season Themes and Notable Meetings

Votes Against by Meeting Type



Source: Janus Henderson as at 31 December 2019. The chart may not add up to 100% due to rounding.

In Japan by far the most common resolution we voted against in 2019 was director elections. Most other agenda item at Japanese companies tend to be non-contentious. Voting on director elections is the most direct avenue for shareholders to convey their significant concerns over corporate governance to Japanese companies.

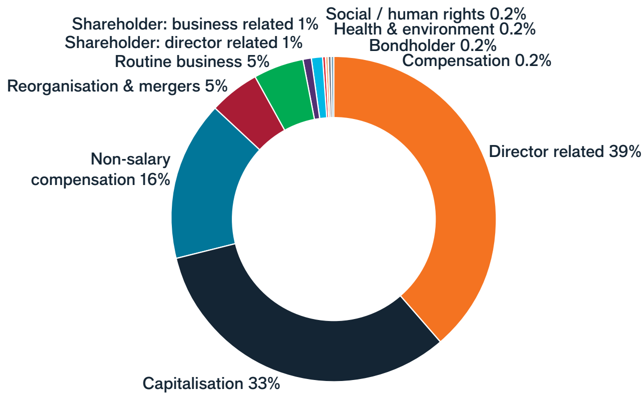
Capital Allocation & Poor Return on Equity
Two key issues in particular were behind the majority of our votes against the re-election of directors at Japanese companies. The first is in relation to concerns over capital allocation policy and poor long-term return on equity performance. While there have been positive developments in the Japanese market in recent years, spearheaded by a push by the government to improve corporate governance practices, many Japanese companies persist with shareholder unfriendly policies, such as excessive cash, cross-shareholdings and reluctance to address underperforming businesses. Examples of shareholders pushing back on this issue in 2019 included Dai Nippon Printing and Keyence, an industrial automation and inspection specialist. We voted against the election of senior directors at both companies, alongside one-third and 29% of shareholder respectively.

Board Composition & Conduct
The second issue concerns board composition and conduct issues. We voted against numerous non-independent directors at Japanese companies due to concerns over the lack of independence on company boards. At Suzuki Motors we voted against a senior director due to concerns over quality-related compliance issues that have come to light in recent years. Opposition totalled 30%. We also voted against a senior director at Nomura Holdings due to concerns over information leakage that resulted in regulatory censure. Opposition was 28%.

Executive Compensation
In general, executive compensation is not a major issue at Japanese companies, where levels of executive pay are frequently much below comparative international levels. However, on occasion we will vote against where we see compensation inadequately aligned with performance. At Takeda Pharmaceutical we voted against approval of the annual bonus and a new compensation plan due to concerns over historical poor performance and a failure to demonstrate rigorous forward-looking performance metrics. Opposition was 24% and 37%, which is unusually high in Japan for resolutions of this type.

Asia-Pacific ex-Japan – 2019 Proxy Season Themes and Notable Meetings

Votes Against by Meeting Type



Source: Janus Henderson as at 31 December 2019. The chart may not add up to 100% due to rounding.

Votes against share capital authorisations continue to make up more than one-third of votes against across Asia-Pacific ex-Japan markets. Local market rules frequently allow for companies to request sizable general issuance authorities that can result in substantial dilution to existing shareholders. An example of this was Hong Kong listed Li Ning, which makes athletic shoes and sporting goods. We voted against a share issuance that was defeated with opposition from 64% of shareholders. Another example was Brilliance China Automotive Holdings, where we voted against, alongside 39% of shareholders.

Director Related
Director-related resolutions are also a constant source of votes against. Often the issue is poor provision of information so that it is impossible for shareholder to form a clear view on board composition. This was the reason, for example, for our opposition to proposed board changes at Bank Rakyat, an Indonesian company. The level of shareholder dissent was 32%.

Non-Executive Board Members
There is an increasing focus across Asia-Pacific markets on the roles and responsibilities of non-executive board members. Beyond just independence, shareholders are focused on ensuring that directors are contributing effectively where they are board members and that there are no obvious concerns such as excessive board positions or lack of reasonable board attendance. Opposition to the re-election of directors that fail to meet these basic requirements formed the basis for a significant number of opposition votes during the year. These included City Developments; we voted against a director due to a poor attendance record and lack of any explanation. Shareholder opposition was 24%.

In Australia, the most important proxy season issues were again shareholder opposition to remuneration. Amongst the most controversial in recent years has been Goodman, a commercial and industrial property group. While the pay policy has been slowly improved, the remuneration committee has been slow to respond to shareholder concerns. We therefore voted against the remuneration committee chairman, alongside just over one-quarter of shareholders.

The Royal Commission into misconduct in Banking and Financial Services continues to impact many companies in Australia. While several of the major banks had made significant changes to board composition and pay as a result of scandals, some were slow in responding. During the year we voted against remuneration at Westpac due to concerns over an imbalance between executive pay and corporate performance, including involvement in corporate misconduct. 36% of shareholders voted against.

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Important Information

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