ACCESS

Effective • Collective • Investment

Voting Guidelines

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Voting Guidelines

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Voting Guidelines

Introduction

These voting guidelines form part of ACCESS' approach to meeting its stewardship responsibilities. Voting at company meetings enables investors to express support for management or highlight areas where they expect improvement. Voting can drive up standards within specific companies. It can also address market-wide risks.

At their heart, these guidelines are about creating long-term value. For ACCESS, high standards in the way that companies are run and governed, alongside consideration of environmental and social impacts, are critical to enhancing and protecting shareholder value. As such, it is the responsibility of investors as good stewards of capital to ensure companies are living up to expected standards.

These guidelines therefore set out the expectations that ACCESS makes of companies on corporate governance, as well as environmental and social factors, and voting positions where these expectations are not met. They aim to be supportive of companies and management but also hold directors to account where policies and practices fall short.

The guidelines are designed to provide information about voting positions and set out where ACCESS would expect to see improvement in company practices. While providing clear expectations and a consistent approach to voting, they also leave room for flexibility to take account of market context.

In high-level terms, the voting guidelines are based on the following principles:

- Good corporate governance is a prerequisite for creating and protecting shareholder value.
- The board and management should have clearly defined roles.
- Companies should have in place internal controls and checks and balances.
- Board independence is essential for minority shareholders.
- Transparency and accountability are necessary to ensure high corporate standards.
- Investors need adequate and timely disclosures for them to make informed votes.
- Companies should not seek to undermine shareholder rights, including the principle of one share, one vote.
- Environmental and social factors can be material issues for companies and investors.
- Remuneration policy should support long-term value creation.

Although focused principally on the expectations of companies, the guidelines also provide guidance to ACCESS' asset managers. ACCESS expects its asset managers to fulfil their own stewardship responsibilities, including by being signatories to the UK stewardship code and UN Principles for Responsible Investment (and, if not, explaining why). ACCESS also expects its managers to follow these voting guidelines and explain where they do not. **To meet their stewardship duties, ACCESS expects its fund managers to be:**

- Exercising their voting rights.

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- Actively using their voting rights over contentious issues, to signal concern, and as an escalation tool.
- Aligning their voting to their engagement activity.
- Working with boards constructively as a critical friend and support boards whose approach is consistent with long-term value creation.
- Engaging companies where they have not supported the board position.
- Disclosing their voting positions to ACCESS.

ACCESS monitors its fund managers to ensure they are meeting these expectations and that their voting is aligned with these guidelines. Where there are concerns about misalignment or the adequacy of explanations, ACCESS actively seeks to engage its managers on the issue.

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Company board

Boards are responsible for the long-term success of companies. As such, they are responsible for the company strategy and management's execution of it. Boards should thus clearly establish and disclose what the company is seeking to achieve and the strategy for delivering on those objectives and purposes.

To successfully implement the strategy and meet the company's ambitions, ACCESS expects company boards to be entrepreneurial and demonstrate leadership, thereby delivering value to its shareholders and wider stakeholders.

Main business risks and opportunities should be considered and disclosed, including social and environmental factors. The board's leadership role also extends to setting the company culture, and ensuring throughout the organisation people act with integrity and in the best interest of the company.

Running a company is complex. To effectively manage the varied challenges and opportunities, ACCESS expects company boards to be balanced, diverse and comprised of the right skills mix.

Boards are responsible for the delegation of authorities to company management who are tasked with meeting the company's purposes and delivering the company strategy. Boards therefore should not only be ensuring adequate internal controls are in place but also be providing oversight of management performance and challenge where needed. To provide that challenge and safeguard the interest of minority shareholders, ACCESS expects boards and sub-committees to have the appropriate levels of independence. (Independence criteria are outlined in the appendix.)

ACCESS' stewardship approach aims to be constructive and supportive. However, it also seeks to hold boards and individual office holders accountable where practices are out of step with good practice. Just as ACCESS' approach aims to be constructive ACCESS also expects boards to actively engage with its shareholders on material issues and areas of concern, and to do likewise with their wider stakeholders.

EXPECTATION	VOTING GUIDELINE
SKILLS, CULTURE AND ACCOUNTABILITY	
Skills mix For companies to make the most of the opportunities and manage the varied risks they face, boards need to have the right	ACCESS will oppose the chair of the nomination committee where the chairs of the committees do not possess sufficient skills that would allow them to undertake

mix of skills. ACCESS expects companies to disclose the skills of individual board members so that investors can understand board composition. For example, understanding the board's technical knowledge and leadership experience enables investors to see whether the board will be able to provide sufficient challenge and hold executive management to account. Given the importance of skills, we expect the chairs of board subcommittees to have adequate skills, experience and knowledge.	that role with reasonable care. Examples include chairs of the sustainability committee without significant experience in sustainability; chairs of the audit committee without financial experience; and chairs of a remuneration committee without previous experience of remuneration or human resources.
Culture ACCESS expects boards to set out their company values. Boards should lead, and be responsible for, a company's culture and outline the expectations it makes of employees throughout the organisation. Where a company is found to fall short in its culture or the behaviours of employees, the board will be held accountable. ACCESS considers a positive culture underpinned by the company's purpose essential to delivering innovative and successful companies. As part of this positive culture, ACCESS would expect boards to establish and promote openness, integrity, and diversity. ACCESS expects boards and individual directors to lead by example. Where the board or the company is demonstrably falling short of expected behaviours needed to protect and enhance long-term value board members should be held accountable.	ACCESS will vote against the re-election of relevant board members where a material ethical issue has been identified.
Accountability Boards are responsible for and are therefore accountable to shareholders for the governance of companies. ACCESS expects boards to be effective leaders and establish policies needed to	Board members will be held to account for failing to meet expectations regarding board structure, internal controls, disclosure and entrepreneurial leadership.

promote the long-term success of the company.

To fulfil their responsibilities ACCESS expects companies to establish the appropriate company structures and internal controls to manage risks, provide oversight of the delivery of the strategy and ensure the efficient allocation of capital.

To enable investors to understand how the board is meeting its responsibilities, ACCESS expects companies to provide adequate disclosures.

Where companies are not meeting their responsibilities or not disclosing how they are doing so, the board should be held accountable.

INDEPENDENCE

Independent chair

ACCESS expects companies to have an independent, non-executive chair.

ACCESS considers independence a critical element to fulfilling the functions of being chair. For example, the chair is responsible for hiring and removing the chief executive.

ACCESS considers the chair's role distinct from that of the chief executive. The chair's role is to set the strategy, provide oversight and scrutinise how well the chief executive, and the executive team more broadly, are executing the strategy. As such, there should be a separate chair and chief executive, while a temporary combination of the roles may be acceptable for example, while looking for a successor CEO, such interim measures should not continue long-term.

For publicly traded companies, shareholders consider independence an important way of safeguarding and representing the interests of minority shareholders. Independence helps address potential non-alignment between

ACCESS will oppose a candidate where the roles of the chair and chief executive are combined, unless there are exceptional circumstances e.g. a temporary arrangement, pending separation of the posts.

ACCESS will oppose the candidate where proposed as an executive chair and there is no separately designated chief executive, unless there is an explanation of how the chair's role is balanced by other executive directors.

ACCESS will oppose candidates that have previously been an executive member.

ACCESS will oppose the candidate, even if they are a non-executive, where they are deemed not to be independent and where less than one half of the Board are independent non-executive directors. Circumstances include where the non-executive has been on the board for over nine years, even if independent when first appointed.

ACCESS will oppose the candidate proposed who also chairs the remuneration or audit committee.

shareholders (principals) and managers acting on behalf of shareholders (agents). Chairs can provide diversity of views, balance on the board and challenge where needed. Independence not only refers to a chair's non-executive status. To ensure adequate challenge and distance from the executive team, ACCESS classes independence in terms of length of tenure. Similarly, an executive director moving to become the chair is not deemed independent given the need to challenge and scrutinise past decisions. A full list of independent criteria is provided at the end of the guidelines.	
Board independence ACCESS considers well-balanced boards essential to their effectiveness. ACCESS expects that no one group on a board should dominate. As such, ACCESS expects boards to meet required standards on independence so that boards can hold management to account and protect the interests of minority parties. ACCESS expects companies to have boards where the majority of directors are independent. ACCESS acknowledges that flexibility may be required in applying this policy not least to account for the market and company ownership structure. Where there is a shareholder or connected group of shareholders holding more than 30% of the voting rights, there should be safeguards in place to protect the rights of other shareholders. A majority of the board should not be connected with the controlling shareholder.	ACCESS will oppose an executive director, where less than half of the Board are independent non-executive directors. ACCESS will oppose a non-executive director who is not independent, where less than half of the Board are independent non-executive directors. ACCESS will consider escalating its voting position and vote against the chair where, in the absence of sufficient explanation or plan to address the issue, a board lacks independence.
Independent audit committee ACCESS expects companies to establish audit committees to ensure the company	ACCESS will oppose a director, who is not independent, and who is a member of the Audit Committee.

is fulfilling its internal and external audit functions and responsibilities and ensure the reporting obligations reflect the true positions of the company. To ensure adequate oversight of financial statements and review risk management and internal controls, ACCESS expects audit committees to be fully independent. To effectively provide independent oversight and challenge to the leadership of the company and board, the audit committee should not include the chair.	ACCESS will vote against the audit committee chair where the committee is not comprised of only independent members or where the audit committee includes the company chair.
Independent nomination committee ACCESS expects companies to establish a nomination committee. Given its role in leading the appointments process and succession planning, the committee should be comprised of a majority of independent non-executive directors.	ACCESS will vote against a member of the nomination committee chair, where a majority of the nomination committee are not independent non-executive directors.
Independent remuneration committees ACCESS expects companies to establish a remuneration committee to determine the executive director remuneration policy, and to set the remuneration of the chair and executive directors. Given its role, the committee should be comprised solely of independent non-executive directors and the board chair should not chair the committee. As part of its function, ACCESS considers it important to review workforce remuneration and alignment of pay with the interests of the company when establishing remuneration policies.	ACCESS will vote against the remuneration report where a director, who is not independent, is a member of the remuneration committee. ACCESS will consider a vote against executive directors if they sit on the remuneration committee, given expectations that all members of the committee should be independent. ACCESS will consider escalating this position and vote against the remuneration committee chair after a year of serving as chair of the committee where members are not independent.
Senior Independent Director ACCESS expects boards to appoint a senior independent non-executive director. SIDs play an important role as an intermediary for shareholders and a sounding board for the chair. They also have an important function when boards are considering the succession of the company chair. Companies should	ACCESS will oppose the election of a senior independent director where they are not judged to be independent. ACCESS will consider voting against the chair where the company does not have a senior independent director.

disclose the role and responsibilities of SIDs to their shareholders. The SID should be judged as independent at the time of re-election not at the point of appointment.	
Company secretaries Company secretaries provide counsel to boards. They are often the first point of contact for investors to answer questions they may have. As these roles require objectivity, ACCESS considers it important that company secretaries are not executive directors.	ACCESS will vote against a director if they are also the company secretary.
COMPOSITION, COMMITMENT AND COMPETENCE	
Gender, ethnic and socio-economic diversity Diversity is critical to effective corporate governance. Diversity helps to guard against groupthink and provides different perspectives on the challenges and opportunities that companies face. Diverse leadership and companies can help attract and retain the talent needed to enhance and deliver shareholder value. As such, ACCESS expects companies to disclose information on diversity. The report and accounts should include a statement of the board's policy on diversity, objectives set for implementing the policy and its progress against these objectives. ACCESS would expect companies to outline, plans to promote diverse workplaces and ensure that the company meets standards set within local markets on board diversity. Such expectations apply not only to diversity of skills and experience, but also include, but are not limited to, gender, ethnicity and socio-economic background.	A vote against the Report and Accounts should be considered if a diversity statement is not included or is unsatisfactory. If there is no clear evidence that diversity is being considered by the board then a vote against the Chair or Chair of the Nominations Committee should be considered. ACCESS will oppose the re-election of the nomination committee chair where less than a third of board positions are filled by women (dependent on company size and market). ACCESS will oppose the re-election of the nomination committee chair in markets where information is available and the board lacks ethnic diversity and there is no plan for addressing it. In the UK context, this includes meeting expectations set out by the government-commissioned Parker Review. ACCESS may consider voting against the annual report for UK companies that fail to disclose their gender pay gap.
Commitment Directors require adequate time to meet the demands of the role. When	ACCESS will oppose the election of a director with directorships at five quoted companies.

seeking to appoint directors, the board should consider significant external time commitments, which should also be disclosed to shareholders ahead of approval. ACCESS' position will factor in the role and responsibilities of the executive members, but where there are concerns about a director sitting on multiple boards (overboarding), ACCESS will oppose their election. Once appointed, ACCESS expects directors to attend board meetings to carry out their duties.	ACCESS will oppose full-time executives who are non-executive directors at more than one quoted company. ACCESS will oppose the chair should they have more than one other chair role or more than three other NED roles. ACCESS will oppose directors with a record of low attendance (below 75%) at board meetings.
Evaluation and succession ACCESS expects companies to undertake a formal evaluation process to assess board effectiveness as a whole, the performance of each member, and outline areas for improvement. ACCESS considers it good practice for there to be an annual internal assessment alongside periodic (every three years) external evaluations. Board appointments should be subject to formal and rigorous procedures. This process should be disclosed to shareholders alongside succession planning for board and senior management positions. The process should be led by a nomination committee, which should base its appointments on merit and pay due regard to diversity, inclusion and equal opportunities.	ACCESS will oppose the chair of the nomination committee where a company has failed in sufficient time (e.g. ahead of a chair becoming non-independent due to length of tenure) to: have a succession plan; disclose succession planning to investors; and consider diversity in the succession plan.
Director elections All directors should be subject to regular re-election. As part of that process, the board should outline to shareholders the contribution of individual directors. Such elections enable shareholders to support those directors contributing to the long-term success of the business and hold those to account who are falling short.	ACCESS will oppose a director, who is not subject to re-election by rotation at least every three years. In the UK and other relevant markets, ACCESS will oppose the election of directors who are not up for annual re-election. ACCESS wll oppose directors elected under bundled resolutions, unless the reasons are fully explained, subject to market and legal requirements, or the

For shareholders to approve the performance of individual directors, ACCESS expects elections to take place on an individual basis and not as part of a bundled resolution. To limit the company's exposure regarding contract termination, director contract periods should (dependent on the market and legal requirements) be no more than a year.	issues concerned are immaterial. ACCESS will oppose a director, who has a contract period of longer than one year, subject to market and legal requirements and where there are no exceptional circumstances. ACCESS will oppose the election of a non-executive director where termination provisions are in excess of one year's salary and benefits.
Independent remuneration committees ACCESS expects companies to establish a remuneration committee to determine the executive director remuneration policy, and to set the remuneration of the chair and executive directors. Given its role, the committee should be comprised solely of independent non-executive directors and the board chair should not chair the committee. As part of its function, ACCESS considers it important to review workforce remuneration and alignment of pay with the interests of the company when establishing remuneration policies.	ACCESS will vote against the remuneration report where a director, who is not independent, is a member of the remuneration committee. ACCESS will consider a vote against executive directors if they sit on the remuneration committee, given expectations that all members of the committee should be independent. ACCESS will consider escalating this position and vote against the remuneration committee chair after a year of serving as chair of the committee where members are not independent.

Remuneration

Executive remuneration should be designed to support the long-term success of the business. Policies should therefore be designed in a way that is, as best can be, aligned to the interests of shareholders and other stakeholders and reward executives for the successful implementation of the company strategy. Pay packages should not be excessive and when setting policies boards should pay due regard to workforce pay.

Remuneration policies should seek to be simple and understandable. Companies should disclose the policies and outcomes to shareholders. Incentive schemes should be objective and have measurable targets. They should be designed to ensure that directors are not rewarded for failure. Executive remuneration should be determined by a remuneration committee, which is fully independent.

EXPECTATION	VOTING GUIDELINE
Alignment ACCESS expects executive remuneration to be aligned with the long-term success of the company and linked to the delivery of the company's strategy and purpose. To support the alignment of interests, share-based incentive schemes should require a significant financial commitment from the participant. For boards to understand alignment with shareholder interests, boards should be seeking to engage investors about proposed changes to remuneration policies. This is particularly important when seeking to increase pay awards and incentives and also following significant shareholder opposition to a pay policy.	ACCESS will oppose the remuneration reports where the remuneration policies and awards are not deemed to be aligned with the interests of shareholders. ACCESS will oppose the remuneration report where a director, who is not independent, is a member of the remuneration committee.
Quantum Companies should ensure that total rewards available under the terms of the director's contract are not excessive. ACCESS expects companies to show restraint when making awards. Companies should be cautious about the use of pay benchmarks which can be used to drive up executive pay and should provide credible explanations and disclosures when seeking to set remuneration policies. Companies should pay due regard to workforce remuneration when setting pay policies and ensure consistency of approaches between executives and the wider workforce. Total rewards available under the terms of the director's contract should not be excessive. Therefore, performance targets for minimum rewards should be based on at least producing median performance for the industry or average market returns. Performance should be	ACCESS expects companies to guard against excessive pay awards that are not aligned with the long-term interests of the company. To ensure pay is aligned and not excessive, ACCESS will assess whether pay levels are set at the appropriate level based on the company's long-term performance against peers and may factor in economic, workforce and societal considerations. ACCESS expects that any increases in executive compensation are clearly explained and linked to material changes. Where there is not a clear and credible explanation regarding any increase, ACCESS will consider opposing the award. ACCESS may oppose remuneration reports and pay arrangements if there is no justifiable rationale for large increases in pay relative to the workforce. ACCESS will oppose remuneration policies which include uncapped bonuses and LTIPs.

measured by reference to comparison with the company's competitors, rather than by reference to general market movements. Excessiveness shall be judged with regard to bonus and LTIP plans. We expect that pay should be aligned with the financial health of the company and not promote excessive risk-taking, which could damage the long-term success of the company and destroy shareholder capital. ACCESS expects companies to include caps on awards within remuneration policies.	
Disclosure For investors to make informed decisions about remuneration policies, they require full and transparent disclosure of each director's remuneration. As part of company disclosures, ACCESS expects disclosures around remuneration the structure, targets and outcomes. ACCESS expects companies to set out clear and measurable metrics on which executive performance is to be judged and refrain from using qualitative measures which will not be transparent in their application.	ACCESS will oppose pay arrangements where there is not sufficient disclosure of remuneration structure, metrics/targets and outcomes.
Targets ACCESS expects remuneration targets to be stretching to ensure the pay policies are driving performance. ACCESS does not support provisions whereby a pay metric can be re-tested if a specific threshold (e.g. total shareholder return or share price) is not first met. Such retesting provisions can allow pay metrics to be retested until the 'right answer' is arrived at. When setting targets, boards should pay due regard to complexity. Complexity can make remuneration hard to understand not only for investors but importantly for executives thereby reducing the	ACCESS will oppose remuneration policies and reports that are not based on performance targets, or where performance targets do not reflect performance relative to the company's competitors, rather than general market factors. ACCESS will oppose arrangements which include re-testing provisions. ACCESS will oppose executive remuneration schemes where the period over which performance is assessed is less than 5 years. ACCESS will oppose long-term incentive plans that do not include a vesting and holding period of at least five years.

effectiveness of the incentives themselves. Awards should not be excessive. ACCESS would expect limits on both annual bonuses and long-term incentive plans. Long-term incentive schemes should be based on challenging performance targets over a consecutive period of at least three. To reward service to the company and align the interests of management with shareholders over the longer term, companies should therefore include a vesting period of at least three years within long-term incentive plans, with an additional two-year post-vesting holding period. ACCESS also encourages companies to include within their metrics relevant Environmental, Social and Governance (ESG), or non-financial metrics. Such ESG metrics should be determined by the material issues facing the company and aligned to the company's strategy on the issue. These metrics should be disclosed and measurable and performance against them disclosed on an annual basis.	
Pension alignment As outlined above, boards should consider pay arrangements for the wider workforce when setting remuneration arrangements for executives. All employees should receive a pension that reflects their tenure, and companies should disclose information on arrangements to shareholders. Pensions should be based on basic salary (e.g. excluding annual bonus and long-term incentives). ACCESS expects there to be alignment between pension arrangements. As such, ACCESS does not support preferential arrangements for executives.	ACCESS will oppose pay arrangements where there is not sufficient disclosure of remuneration structure, metrics/targets and outcomes.
Discretion, malus and clawback provisions ACCESS expects companies to outline	ACCESS will oppose the use of discretionary payments or retention awards.

clear and transparent pay arrangements. As part of this approach, ACCESS will not support discretionary payments. Remuneration schemes should include malus and clawback provisions. Malus provisions act as a financial penalty or negative bonus. Clawback ensures unvested, pending or paid awards can be recovered. These exist to enable boards to forfeit or reduce awards in exceptional circumstances, such as for a significant and recurring financial or ESG failing. Reduction of awards should include major events, such as large acquisitions, that make targets inappropriate. Within the annual report, companies should disclose a description of such provisions, including the circumstances in which they would be used, the period over which the provisions apply, whether such provisions were used in the reporting period, and, if so, why.	ACCESS will oppose remuneration schemes and policies that do not include malus and clawback provisions for a significant and/or recurring financial or ESG failing.
Equity holding ACCESS expects executives to invest personal wealth in their company to help align interests with those of investors. This should ideally involve the direct purchase of shares and share-based incentive schemes should require a significant financial commitment from the participant.	ACCESS will oppose the remuneration policy where there is no capital commitment on the part of executive participants.
Contract period Executive director contracts should not be longer than one year apart from in markets where longer contracts are required. Nor should contracts provide for automatic compensation in excess of one year's salary in the event of termination of the contract.	ACCESS will oppose remuneration reports where the contract period is longer than one year, and there are no exceptional circumstances. This is subject to the specific market where expected terms may differ.

Voting Guidelines

Accounts and audit

Financial statements should at all times present a 'true and fair' view of the company's position. Financial reporting is critical to investor decision-making. This includes having timely information ahead of company meetings. Companies should also outline the internal audit processes in place to manage existing and new risks.

For investors to have trust in the reported company performance, the role of auditors is critical. Not all information can be disclosed for commercial reasons. It is vital, therefore, that auditors test the assumptions that are contained within the financial statements and provide investors with assurance. Given this role, ACCESS expects auditors to be acting for shareholders and be independent of company executives.

EXPECTATION	VOTING GUIDELINE
ACCOUNTS	
Transparency and timeliness For shareholders to make informed investment and stewardship decisions, it is vital that annual reports and financial statements are a true and fair reflection of the company's position, and that they are balanced and understandable. In addition, for shareholders to be able to consider annual reports and proxy materials ahead of company meetings, information should be provided (and be easily accessible) in good time. ACCESS expects annual reports to cover company strategy, the sustainability of the company's business model, the contribution of governance to realising strategy, the principal risks facing the company, and material ESG matters.	ACCESS will oppose the report and accounts if it is not considered to present a true and fair view of the company's financial position. ACCESS will oppose the report and accounts where information is not delivered in a complete or timely fashion to allow for an informed voting decision.
Internal audit To manage existing and emerging risks, companies should have an effective	ACCESS will oppose the chair of the audit committee, where the company does not outline its approach to internal controls

and resourced internal audit system. Companies should communicate to shareholders their risk and control systems. ACCESS expects such disclosures to identify specific principal risks the company faces and how these are being managed. The risk management and internal control framework should be monitored and reviewed regularly. Such reviews should cover operational, financial, and compliance controls which should be outlined in the annual report.	and principal risks.
Audit committee ACCESS consider audit committees responsible for providing clear and transparent information to the company's shareholders. Their functions include ensuring the company is meeting the expected market standards on audit committees, recommendations regarding the appointment of external auditors, review of risk management and internal controls system and monitoring financial statements. Alongside expectations regarding the independence of audit committees, audit committees need to ensure committee members have appropriate skills and levels of integrity. As such, at least one member of the audit committee should have significant financial experience. The annual report should include a separate section describing the work of the audit committee.	ACCESS will vote against the audit committee chair where there are concerns over accounting and audit practices at the company. ACCESS will oppose the election of committee members where there are concerns around the competency, including where there have been audit concerns while being an audit committee member or involved in a material audit failing. ACCESS will oppose the chair of the nomination committee where no one on the audit committee has significant financial experience.
Whistleblowing ACCESS considers the audit committee responsible for the provision of adequate whistleblowing policies and processes. Adequate whistleblowing mechanisms are needed to safeguard against fraud, bribery, corruption and breaches of company ethics.	ACCESS will oppose the audit committee chair when there are serious concerns over whistleblowing policies and mechanisms. Such concerns may include the company having no external whistleblowing hotline/process as a minimum needed to ensure that those with serious concerns (including issues such as fraud or embezzlement) are able

	to come forward. ACCESS will oppose individual board members who have failed to act on whistleblowing information.
AUDIT STATEMENT	
Audit The report and accounts should present a true and fair view of the company's financial position and prospects and receive an unqualified audit opinion, unless there are exceptional circumstances that are fully explained in the annual report.	ACCESS will oppose the adoption of the report and accounts when the auditor's report is qualified, and there is no satisfactory explanation.
Auditor competency To have confidence in a company's financial disclosures, investors need to be assured about the quality of work undertaken by auditors. ACCESS would be concerned where an audit is undertaken by an audit partner who has been involved in a material audit controversy.	ACCESS will oppose the reappointment of the audit if the audit partner has been involved previously in a material audit controversy.
Audit rotation In line with regulation, ACCESS believes audit rotation helps ensure independence and more effective audits. As such, ACCESS expects companies to retender and rotate auditors on a periodic basis.	Depending on the market, ACCESS will oppose the auditor reappointment if its tenure exceeds ten years or is undisclosed.
Audit and non-audit fees The integrity of audits has the potential to be undermined where non-audit fees are excessive. High non-audit fees create potential conflicts of interest. Given this, audit and non-audit fees should be disclosed. Non-audit fees should not affect audit independence. In general, fees for non-audit work should not represent more than 25% of the total audit fees, unless there are special circumstances which are explained.	ACCESS will oppose the auditor reappointment where transparency of audit and non-audit fees is lacking. ACCESS will oppose the auditor reappointment where non-audit fees exceed 50% of audit fees.

Voting Guidelines

Capital authorities and shareholder rights

As good stewards of capital, it is the responsibility of investors to ensure that managers are acting in the best interest of the company. For investors to meet these obligations and promote high corporate governance standards, shareholders need rights to scrutinise, approve and where necessary challenge the decisions of managers and the board.
Shareholder rights have an economic value and provide investors with protections against poor decision making by executive directors. Such protections include oversight of capital authorities which have the potential to destroy value and should be subject to shareholder approval.

EXPECTATION	VOTING GUIDELINE
CAPITAL AUTHORITIES, DIVIDENDS AND LISTINGS	
Share issue authority and pre-emption rights Companies will at times need to raise capital. Nevertheless, powers should be used sparingly and limited to where it is essential to delivering the company's strategy. To ensure fair treatment of existing shareholders, pre-emption rights are essential. Instances without such rights can lead to dilution of existing shareholders.	ACCESS will oppose the disapplication of pre-emption rights if the share allotment exceeds 5% of issued share capital within one year or 7.5% within a 3-year rolling period. ACCESS will oppose the proposal if it does not comply with the UK Pre-emption Guidelines or the country equivalent.
Dividends Dividends and distribution policies are fundamental to the income needs of investors and the company's financial planning. ACCESS is likely to support the majority of dividend payments. However, there will be times when proposed dividends are too	ACCESS will oppose the dividend if the proposed dividend and special dividends are not covered by earnings and the company offers no explanation of policy. ACCESS will oppose the annual report, where dividend policy is not put to a vote. ACCESS will oppose a scrip dividend or equivalent without a cash alternative,

low but also too high and therefore could undermine the business' sustainability.

For investors to understand the appropriateness of dividend payments, companies should disclose their dividend policy and provide a rationale for their decisions.

Policies should clearly set out the circumstances for distributions. Where changes are required to protect the long-term success of the business, boards should make changes. Nevertheless, they should be mindful when making changes (or adjustments in exceptional circumstances) of the importance of dividends to investors. Given the importance of dividends, ACCESS is unlikely to support dividends not paid in cash unless there is a credible explanation.

Shareholders should have the opportunity to approve the dividend each year.

unless the reasons are fully explained.

Share buybacks

Where companies use share buybacks, their application should enhance shareholder value and not undermine shareholder rights.

ACCESS expects certain limits on share buyback authorities to ensure that an undue premium is not made on repurchases. UK stock exchange guidance is that market repurchases of up to 15% of share capital may be made within a 12-month period, provided that the price does not exceed 105% of market value.

Share buybacks should be limited in scope. In the UK, buybacks have the potential to trigger Rule 9 of the Takeover Code. In such circumstances, the buyback of shares by the company can result in increased shareholding (including controlling stake) without minority shareholders being paid a premium for the loss of control.

Share buybacks may affect earnings

ACCESS will oppose buyback authorities where the premium exceeds 5% of the share price and over 15% of share capital, which is in line with FCA expectations. Such authorities should also be limited to two years so shareholders can reassess and approve them regularly and as circumstances change.

ACCESS will oppose Rule 9 waivers (or similar proposals in non-UK markets) given concerns about the potential for them to lead to a change in control of a company without minority shareholders being paid a premium.

per share and so performance targets for directors' remuneration should be adjusted accordingly.	
Related party transactions Many investee companies will be involved in related party transactions, including subsidiary companies and between a controlling shareholder and the company. Such transactions can pose risks to (minority) shareholders, including fraud, collusion and manipulation. To guard against this, a fully independent audit committee should be responsible for ensuring fair valuation. ACCESS expects shareholders to have the opportunity to approve material transactions. ACCESS also expects companies to provide sufficient disclosure to make informed voting decisions.	ACCESS will oppose related party transactions where there are concerns that they have not been subject to board oversight and shareholder approval, are not beneficial to the company and in the interests of stakeholders and were not undertaken on fully commercial terms and in the normal course of business.
Sustainable borrowing limits Companies should place limits in their articles of association on the amount that directors can borrow. When proposals are made regarding borrowing limits, ACCESS will consider the justification in disclosures, borrowing limits in the articles of association, industry comparisons, headroom over and above existing levels, and whether the increase will be for a limited period or subject to renewal by shareholder approval.	ACCESS will oppose proposals which seek additional borrowing limits or lending arrangements where there are concerns about the sustainability of the debt.
Listings and tax strategy ACCESS considers high corporate governance standards a foundation for long-term sustainable returns. Companies should be abiding by the rules and listing requirements of exchanges. Companies should not seek to lower those standards by changing listing or incorporation location. Meeting local obligations extends to tax practices. Even where structured in a	ACCESS will oppose proposals that recommend moving the location of a company's incorporation to jurisdictions that offer lower legal and governance protections to shareholders and other stakeholders or are based on tax benefits.

legal way, companies face considerable reputational and regulatory risks for adopting aggressive tax strategies. As universal owners, such strategies pose wider, systemic risks for investors. ACCESS therefore expects companies to have a tax policy that is sustainable, complies with tax laws, and regulations, pays taxes in line with where economic value is generated, and discloses tax policy and information to investors.	
Political donations Any political donations companies make should be disclosed and justified. ACCESS also expects donations to be subject to a specific vote.	ACCESS will oppose the annual report, where political donations are material (accounting for the index) and are not subject to a separate vote. ACCESS will oppose any proposal for authority to make party political donations which are material, accounting for the index and therefore what is material for the size of the company. ACCESS may consider opposing the annual report where disclosure of political donations is not broken down.
SHAREHOLDER RIGHTS	
Voting rights Voting rights hold economic value. Valuations of companies will in part be based on share structures, which are particularly important to minority shareholders. Companies should adhere to the principle of one share, one vote. Where differential structures are in place ACCESS expects companies to address and eliminate the unequal treatment of some shareholders. The principle of equal treatment of shareholders also applies to anti-takeover mechanisms. ACCESS expects companies not to have poison pill mechanisms which can entrench management positions and protect companies from the reality of the market.	ACCESS will oppose proposals that seek to introduce or continue differential voting rights. ACCESS will oppose poison pill mechanisms which can entrench management positions and undermine long-term value creation.

Bundled resolutions As outlined above, ACCESS does not support bundled resolutions for director elections. More broadly, no resolutions should be bundled so that shareholders have the opportunity to approve specific resolutions.	Subject to the market context, ACCESS will oppose bundled resolutions.
Shareholder meetings Company meetings provide shareholders with access to boards, enable shareholders to ask questions to the whole board, and enable shareholders to hold board members to account in person. While virtual attendance can enable shareholders to attend that could not in person, ACCESS considers in-person attendance an important shareholder right. For example, shareholders cannot participate in the same way online and online meetings can separate participants from exchanges with the board. ACCESS therefore expects shareholders to have the opportunity to attend company meetings in person.	ACCESS will oppose proposals (amendments to articles of association) for virtual-only company meetings. ACCESS will vote against the chair if no in-person meeting is provided without adequate justification on public health grounds, or for other relevant reasons.
Shareholder proposals ACCESS supports the right of shareholders to file proposals to companies. Shareholder resolutions are an important way for investors to present a resolution on a specific issue that may not be subject to a vote as part of a company's standing items.	ACCESS will review shareholder resolutions on a case-by-case basis and will support proposals that are in line with ACCESS' approach and guidelines on responsible investment.

Other expectations

Securities lending: Securities lending is an activity where assets are borrowed by a third party, in return for a fee. Collateral is provided at the point of the asset being borrowed, which is held until the asset is returned. One aspect of securities lending is that the legal title of the asset is transferred to the borrower, which means that any votes attached to the asset transfer to the borrower.

ACCESS is of the view that as responsible asset stewards, they should vote at all company meetings for the assets they own. Accordingly, ACCESS will inform its agents that it expects any assets that are out on loan to be recalled with sufficient time to permit votes to be cast. ACCESS

will monitor this requirement.

Vote abstention: In certain circumstances vote abstentions will be the appropriate way of discharging ACCESS' stewardship responsibilities. Abstentions can be a useful way for investors to demonstrate concern about a proposal. As such, ACCESS expects companies to include abstain or 'vote withheld' options on the ballot.

Memorandum and articles of association: Any proposals affecting the memorandum and articles of association should be put as separate resolutions.

Investment trusts

Given their different nature and structure to other listed companies, ACCESS has specific expectations and voting positions for investment trusts. These expectations relate to director independence and the reissue of shares.

EXPECTATION	VOTING GUIDELINE
Independent directors Separation of ownership and control creates inherent risks that the company will be run in the interests of managers rather than owners. To safeguard against this within externally managed investment trusts, non-independent directors should be kept to a minimum.	ACCESS will oppose the re-election of non-independent directors where there is more than one non-independent director in an externally managed investment company. Non-independence shall include a director who is a current or recent (within five years) employee or adviser to the external fund manager.
Reissue of treasury shares Share issuance at a discount can be viewed as a failure of governance, especially when there is no clear plan or action to address the problem. When seeking share issuance authorities, companies should include a commitment that shares will not be issued at a discount. The issuance of discounted shares is dilutive and therefore should be used sparingly, and, when used, there should be a convincing reason that it is being done in the interest of shareholders.	ACCESS will oppose share issuance authorities at investment trusts that fail to include a commitment to not issuing shares at a discount to Net Asset Value (NAV). ACCESS will oppose share issuance at a discount to Net Asset Value (NAV) at investment trusts without a credible explanation that it is in the best interest of shareholders.

Voting Guidelines

Sustainability

Companies impact and are impacted by environmental and social factors. Such factors can have a material bearing on a company's performance. Boards should therefore seek to minimise the negative impacts to and from environmental and social factors, manage principal risks emanating from these factors and seek to make the most of the opportunities that higher environmental and social standards present. Given the investment implications of non-traditional financial issues, ACCESS expects companies to be providing adequate disclosure to support shareholders' investment and stewardship decisions.

Climate change poses a significant and systemic risk to investors. ACCESS believes in a 'just transition' to a low carbon economy that ensures fair treatment for stakeholders during the move to net zero. ACCESS supports the objectives of the Paris Agreement and believes that keeping a global temperature rise this century to well below 2C relative to pre-industrial levels is entirely consistent with securing strong financial returns. Accordingly, ACCESS expects its investment managers to make climate risk a key component of any engagement process, including voting decisions. In addition, ACCESS expects its managers to be signatories to and comply with the Financial Reporting Council's Stewardship Code and United Nations Principles of Responsible Investment (UNPRI) which should inform their voting decisions.

Alongside adequate social and environmental disclosures, ACCESS expects companies to disclose cybersecurity risks and any material incidents.

EXPECTATION	VOTING GUIDELINE
Environmental and social disclosures Companies impact and are impacted by a range of environmental factors. Beyond climate change, environmental issues cover nature loss, biodiversity, deforestation, water use and pollution, and plastics. Companies also face a range of social risks, covering human capital management, human and labour rights, and the impact of their products. The risks (and opportunities) will vary by company. ACCESS expects companies to adequately disclose material risks and their management of them to	ACCESS will oppose the annual report where significant environmental and social risks in relation to the company's activities are not disclosed or reported on, or where reporting is considered poor or inadequate.

investors. This includes, but is not limited to, reporting in line with the Task force for Climate-Related Disclosures (TCFD) recommendations outlined below and the Taskforce on Nature-Related Disclosures (TNFD).

As such, companies should publish a formal statement setting out its approach to dealing with environmental and social issues. The annual report should disclose the company's procedures for auditing and reporting on environmental risks

Reissue of treasury shares

Climate change poses material risks to high-emitting companies and idiosyncratic and systemic risks to investors. ACCESS expects companies to be managing climate-related risks and reducing emissions in line with global commitments.

To meet those expectations, we expect companies, especially those in high-emitting sectors, to be meeting requirements outlined by the Task Force on Climate-related Disclosures.

Companies should therefore be providing investors with adequate information to support stewardship and investment decisions. This should include:

Climate change governance: board oversight; and management's role in assessing and managing risks and opportunities.
Climate Change Strategy: disclose risks and opportunities over the short, medium or long-term; How these are factored into strategies; and Strategy resilience in the face of climate scenarios, including 2C or lower.
Climate Change Risk Management: processes for integration of these risks into the overall risk management process).
Metrics and Targets: Disclose: the metrics used; Scope 1, 2 and relevant 3 GHG emissions; and The targets

ACCESS will generally support shareholder proposals calling for companies to disclose or introduce elements of TCFD reporting. This includes proposals calling for emissions disclosures, target setting and transition planning.

ACCESS supports the aims of the Paris Agreement and expects companies to have the same level of commitment to managing climate-related risks. ACCESS may therefore oppose the company chair or the chair of the sustainability committee for companies in high-risk sectors that have not set emission reduction targets or have a commitment to net zero by 2050 at the latest.

ACCESS will oppose the reappointment of the auditor where it has not clearly assessed and tested the accounts for climate-related risks for companies in high-emission sectors.

used to manage climate-related risks, opportunities and performance against these targets. Where climate-related financial risks are deemed not to have been disclosed or adequately managed, ACCESS will consider voting accordingly. ACCESS expects companies to be setting out credible transition plans, with targets and an appropriate emissions pathway for its sector. For companies in high-emission sectors, ACCESS expects auditors to assess a company's accounts, and disclose in the auditor report how they have done so for climate-related risks.	
Social factors and human rights ACCESS expects its managers to be signatories to the UN Principles for Responsible Investment. ACCESS expects investee companies to abide by the UN Guiding Principles on Business and Human Rights and to identify and manage human rights risks and impacts within its own operations and across its value chain. ACCESS expects companies to support long-term sustainable growth through high human capital management standards, fair treatment of workers and adherence to (and seek to go beyond) legal requirements. This expectation includes companies seeking a just transition to net zero that ensures fair treatment for employees and communities that would otherwise bear the brunt of industrial change.	ACCESS will oppose the board chair or sustainability committee chair where there is a serious concern about its involvement/remediation of a breach of global conventions, its approach to human rights or human rights due diligence or failing to treat employees and workers responsibly. ACCESS is likely to support shareholder resolutions that seek improvements in human rights due diligence and human rights disclosures.

Voting Guidelines

Appendix: Independence criteria

ACCESS judges a director not to be independent if they:

- Are or have recently been an employee of or consultant to the company;
- Have had an association with the company for more than nine years;
- Are in receipt of a loan from the company;
- Are related to other directors of the company;
- Have been nominated through a non-independent process;
- Receive compensation from a third party in relation to their directorship;
- Benefit from material-related party transactions;
- Hold a significant holding in the company or serve as a director or employee in another company that does;
- Have a material commercial relationship with the company, such as being a director or employee of a supplier or customer;
- Serve as a director or employee of a competitor;
- Were or are partners or held a senior position within the company's auditors without a sufficient cooling-off period; and
- Have not demonstrated independence of thought or behaviour.