

# Northgate plc

Proxy voting results for the AGM held on 18 September 2018

At the Annual General Meeting of Northgate plc (the "Group") held at 11.30am on 18 September 2018 the total number of votes received on each resolution were as follows:

Resolutions	Votes For	% of Votes	Votes Against	% of Votes	Total Votes	Votes cast as % of Issued Share Capital	Votes Withheld
1 To receive the Directors' Report and audited accounts of the Company for the year ended 30 April 2018.	116,753,626	99.99%	7,578	0.01%	116,761,204	87.64%	78,600
2 To declare a final dividend of 11.6p per Ordinary share.	116,838,519	100.00%	1,056	0.00%	116,839,575	87.70%	230
3 To approve the Directors' Remuneration Report in the form set out on pages 60 to 78 of the 2018 Annual Report and Accounts.	49,105,198	42.03%	67,719,898	57.97%	116,825,096	87.69%	14,708
4 To appoint PricewaterhouseCoopers LLP as auditor of the Company to hold office until the conclusion of the next Annual General Meeting.	116,834,863	100.00%	3,962	0.00%	116,838,825	87.70%	980
5 To authorise the Audit and Risk Committee to determine the remuneration of the auditor.	116,828,353	100.00%	3,952	0.00%	116,832,305	87.69%	7,500
6 To re-elect Mr A Page as a Director.	99,201,387	87.62%	14,014,396	12.38%	113,215,783	84.98%	3,624,021
7 To re-elect Mr AJ Allner as a Director.	72,009,497	72.39%	27,465,443	27.61%	99,474,940	74.66%	17,364,863
8 To re-elect Miss J Caseberry as a Director.	102,600,446	87.82%	14,232,603	12.18%	116,833,049	87.69%	6,756
9 To re-elect Mrs C Miles as a Director.	112,574,670	96.36%	4,258,379	3.64%	116,833,049	87.69%	6,756
10 To re-elect Mr B Spencer as a Director.	104,137,385	89.13%	12,695,664	10.87%	116,833,049	87.69%	6,756
11 To re-elect Mr K Bradshaw as a Director.	115,541,026	98.89%	1,292,861	1.11%	116,888,887	87.69%	5,918

12	To elect Mr P Vincent as a Director.	115,401,057	98.77%	1,431,992	1.23%	116,833,049	87.69%	6,756
13	To renew the general authority of the directors to allot shares.	116,835,131	100.00%	834	0.00%	116,835,965	87.69%	3,840
14	To disapply statutory pre-emption rights.	115,936,844	99.24%	892,547	0.76%	116,829,391	87.69%	10,414
15	To disapply statutory pre-emption rights for specified capital investments.	115,052,863	98.48%	1,776,157	1.52%	116,829,020	87.69%	10,784
16	To allow the Company to hold general meetings (other than AGMs) on 14 days' notice.	114,639,161	98.12%	2,192,906	1.88%	116,832,067	87.69%	7,738
17	To authorise the Company to make market purchases of its own shares.	116,462,814	99.74%	302,994	0.26%	116,765,808	87.64%	73,996

The Board would like to thank its shareholders for their engagement in advance of the AGM. While the majority of the meeting resolutions were passed with significant majorities, we acknowledge and respect the views communicated on certain issues.

We are very disappointed that the advisory vote on the Remuneration Report was not carried. As part of our commitment to high corporate governance standards, we have worked hard to take a highly responsible approach to executive pay and have enjoyed strong support from our shareholders on remuneration matters prior to this vote.

Over the last few days, we have actively engaged with our shareholders and representative bodies, including the proxy advisers regarding the AGM voting, and we recognise and understand that there were a number of concerns predominantly caused by the changes implemented earlier this year to our long-term incentive plan awarded in 2016 and 2017. The decision made by the remuneration committee to remove the EPS performance metric from those awards was taken after engagement with major shareholders and external advisors and was as a direct result of the implementation of our fleet optimisation strategy which, whilst positive for the Company, had an adverse impact on EPS and in turn the part of the awards subject to EPS. Therefore, we felt the awards would not align management to the long-term interests of the Company. Following the AGM result, the remuneration committee will be engaging further with major shareholders regarding the changes to the long-term incentive plan for years 2016 and 2017, as well as the proposals for the performance metrics for future long-term incentive awards, with a view to reaching agreement on all elements of the long-term incentive awards.

The remuneration committee remains committed to ensuring support from shareholders on all remuneration matters and will continue with an annual programme of engagement to discuss the Group's approach to remuneration, including the Remuneration Policy, which will be proposed as a resolution at the AGM in 2019.

Further, the Board acknowledges that although resolution 10 was passed, a significant minority voted against the re-election of Andrew Allner and, following shareholder engagement, the primary reason for this is concern over the number of Board positions held

by Andrew as well as his tenure. Andrew has remained a non-executive director of the Group, past the normal nine-year tenure, at the request of the Board to facilitate continuity during a period of change, and the Board is grateful for his support and significant contribution during this period. The Nomination Committee is already reviewing Board evolution and succession planning and will consider the voting at the AGM in the context of that evolution. The Nomination Committee will make recommendations to the Board as and when appropriate during the financial year.

Notes from last year:

1. Any proxy appointments which gave discretion to the Chairman have been included in the "for" total.
2. The Group's issued capital (excluding treasury shares) at the date of the meeting was 133,232,518 ordinary shares of 50p each. Each ordinary share carried the right to one vote and, therefore, at the date of the meeting there were 133,232,518 voting rights in the Group.
3. A "vote withheld" is not a vote in law and is not counted in the calculation of the proportion of the votes "for" and "against" a resolution.

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