

1. VOTING VOLUMES

This section shows the number of Meetings, Meeting Types & Resolutions voted by the Surrey pension fund.

1.1 MEETINGS

Table 1 below shows that Surrey voted at one meeting during the Quarter under review.

Table 1: Meetings Voted

Region	Meeting Type						Total
	AGM	Class	Court	EGM	GM	SGM	
Asia & Oceania: Emerging	0	0	1	0	0	0	1
North America	2	0	0	0	0	0	2
UK & Ireland	1	0	0	0	0	0	1
Total	3	0	1	0	0	0	4

In all tables:

AGM	The Annual General Meeting of shareholders, normally required by law.
Class	A Class Meeting is held where approval from a specific class of shareholders is required regarding a business item.
Court	A Court Meeting, where shareholders can order an annual meeting or a special meeting from a court or where a meeting is called by a Court of Law to approve a Scheme of Arrangement.
EGM	An Extraordinary General Meeting of shareholders, where a meeting is required to conduct business of an urgent or extra-ordinary nature. Such business may require a special quorum or approval level.
GM	A General Meeting of shareholders, often used interchangeably with the term EGM or OGM, depending on the term used by the company in question.
SGM	A Special General Meeting of shareholders, where a meeting is required to conduct special business. Often business which requires a special quorum or approval level.

1.2 RESOLUTIONS

Table 2 shows the total number of resolutions voted by region, broken down by meeting type.

In the Quarter under review, the fund was eligible to vote on 59 resolutions.

Table 2: Resolutions Voted

Region	Meeting Type						Total
	AGM	Class	Court	EGM	GM	SGM	
Asia & Oceania: Emerging	0	0	1	0	0	0	1
North America	36	0	0	0	0	0	36
UK & Ireland	22	0	0	0	0	0	22
Total	58	0	1	0	0	0	59

1.3 MEETINGS BY MONTH

The table below shows half of the meetings voted at during the Quarter took place in the month of December and one meeting was voted in each of October and November.

Table 3: Meetings Voted Per Month

Event	October	November	December	Total
AGM	1	0	2	3
Class	0	0	0	0
Court	0	1	0	1
EGM	0	0	0	0
GM	0	0	0	0
SGM	0	0	0	0
Total	1	1	2	4

2. VOTING PATTERNS

This section analyses some patterns of voting by resolution category and voting policy.

2.1 VOTES AGAINST MANAGEMENT

Table 4 shows the total number of resolutions which Surrey was entitled to vote along with the number of contentious resolutions voted during the Quarter. Surrey voted against management on 23.73% of the resolutions for which votes were cast during 2022 Q4, which is a lower dissent rate than the proportion of resolutions opposed in previous quarters (2022 Q3: 42.86%, 2022 Q2: 29.36%, Q1: 24.67% 2021, Q4: 25.88%).

Board resolutions accounted for 57.63% of all resolutions voted and 28.57% of the total resolutions voted against management. Surrey voted against four management proposed director candidates due to independence concerns.

75% of Remuneration resolutions were voted against management. All three resolutions voted against in the category concerned remuneration report approvals.

Surrey voted against two resolutions in the Audit & Reporting category. The dissenting votes concerned the re-appointment of an external auditor where concerns were held with audit tenure and the lack of disclosure regarding a recent tender and/or planned tender of the audit contract.

The sole Shareholder Rights resolution voted on concerned a request from a board for an authority to convene ordinary general meetings (other than AGMs) with a 14-day notice period and Surrey opposed the resolution.

In the Capital category, Surrey voted against a share issue authority request.

Surrey voted against management on two shareholder proposals in the Sustainability category and against one management-proposed resolutions. The management resolution opposed concerned a request for an authority to incur political expenditure at a UK-listed company.

Surrey voted in line with management recommendation on all resolutions in the Corporate Action category and did not vote in any resolutions in the Other category.

Table 4: Votes Against Management By Resolution Category

Resolution Category	Total Resolutions	Voted Against Management	% Against Management	% All Votes Against Management
Audit & Reporting	5	2	40.00%	14.29%
Board	34	4	11.76%	28.57%
Capital	7	1	14.29%	7.14%
Corporate Action	1	0	0.00%	-
Other	0	0	-	-
Remuneration	4	3	75.00%	21.43%
Shareholder Rights	1	1	100.00%	7.14%
Sustainability	7	3	43.86%	21.43%
Total	59	14	23.73%	100.00%

2.2 DISSENT BY RESOLUTION CATEGORY

Table 5 shows the number of resolutions voted by Surrey, broken down by resolution category, along with Surrey's level of dissent and average general shareholder dissent in each category.

Surrey was more active than the average shareholder in expressing concerns through votes at corporate meetings. Whereas general shareholder dissent stood at 4.16%, Surrey opposed management on 23.73% of resolutions.

Resolutions opposed by Surrey received average general shareholder dissent of 8.05%, a much higher level than the dissent received on resolutions which Surrey supported (2.95%). This highlights that Surrey has a robust policy which is consistent and aligned with other investors governance concerns.

Table 5: Dissent by Resolution Category

Resolution Category	Total Resolutions	% Surrey Against Management	Average Shareholder Dissent %
Audit & Reporting	5	40.00%	2.77%
Board	34	11.76%	2.90%
Capital	7	14.29%	1.62%
Corporate Action	1	0.00%	0.32%
Other	0	-	-
Remuneration	4	75.00%	6.58%
Shareholder Rights	1	100.00%	6.72%
Sustainability	7	43.86%	12.60%
Total	59	23.73%	4.16%

Poll data was collected for 100% of resolutions voted by Surrey during the Quarter.

2.2.1 VOTE OUTCOMES

The UK Corporate Governance Code recommends boards to take action where 20% or more of votes are cast against the board recommendation on a resolution. As such, a shareholder dissent level of 20% is generally considered to be significant. During the Quarter, Surrey voted against management on one resolution that received shareholder dissent of more than 20%. This compares to no resolutions opposed with high dissent in the previous quarter. The resolution concerned a shareholder request for enhanced reporting on tax at Microsoft Corp.

As was the case in 2022 Q3, no resolutions proposed by management were defeated and no shareholder-proposed resolutions were successful during 2022 Q4.

2.3 RESOLUTION TYPES AND SUB-CATEGORIES

2.3.1 SHAREHOLDER PROPOSED RESOLUTIONS

Six resolutions voted during the period were proposed by shareholders. All of the shareholder resolutions were proposed in the North America region. Surrey did not vote on any shareholder proposals in the previous quarter.

Shareholder proposals are resolutions put forward by shareholders who want the board of a company to implement certain measures, for example around corporate governance, social and environmental practices. Although they are generally not binding, they are a powerful way to advocate publicly for change on policies such as climate change and often attract relatively high levels of votes against management.

On average, the shareholder proposals received 12.71% support during the Quarter and no shareholder proposals were successful.

Surrey voted in favour of a shareholder proposal at Microsoft Corp requesting the Board of Directors issue a tax transparency report which received over 20% votes in favour, a notable level of support. The proposal requested the report be prepared in consideration of the indicators and guidelines set forth in the Global Reporting Initiative's (GRI) Tax Standard. The GRI Tax Standard was developed in response to investor concerns regarding the lack of corporate tax transparency and the impact of tax avoidance on governments' ability to fund services and support sustainable development. It is the first comprehensive, global standard for public tax disclosure and requires public reporting of a company's business activities, including revenues, profits and losses, and tax payments within each jurisdiction.

Table 6: Shareholder Proposed Resolutions

Company	Shareholder Proposal	Surrey Vote	% For
Microsoft Corp	To request that the Board report to shareholders on cost vs benefits of global diversity & inclusion efforts	Against	1.26%
Microsoft Corp	To request that the Board report to shareholders regarding hiring people with arrest or incarceration records	Against	10.80%
Microsoft Corp	To request that the Board report to shareholders regarding 401(k) retirement funds connection with climate change	Against	10.74%
Microsoft Corp	To request that the Board commission an independent report to assess whether governmental customer use of products can contribute to violations of privacy	Against	20.24%
Microsoft Corp	To request that the Board issue an independent report regarding risks for being identified as a company involved in the development of weapons used by military	For	10.35%
Microsoft Corp	To request that the Board issue a tax transparency report	For	22.84%

2.3.2 REMUNERATION

Votes against remuneration resolutions in 2022 Q4 reflected the principles advocated in Surrey's voting policy. Fix distinct concerns informed Surrey's remuneration voting during the Quarter:

- **Disclosure:** There was incomplete forward-looking disclosure on the performance conditions applicable to the long-term incentive awards to be granted in the coming year. This was a factor in two of the resolutions opposed by the fund.
- **Assessment:** In two of the resolutions opposed by the fund the company in question had received a low Minerva Remuneration Assessment grade.
- **Severance Provisions:** Contract provisions for executives provided for potentially excessive severance payments on early termination. This was a factor in two of the resolutions opposed by the fund.
- **Bonus Cap:** No upper individual limit been not disclosed for the annual bonus scheme. This was a factor in one of the resolutions opposed by the fund.
- **LTIP Vesting:** The performance period and/or vesting period was considered too short. This was a factor in one of the resolutions opposed by the fund.

Table 7: Remuneration Votes Against Management

Resolution Category	Total Resolutions	Voted Against Management	% Against Management
Remuneration – Report	3	3	100.00%
Remuneration - Policy (All-employee Share Plans)	1	0	0.00%
Total	4	3	75.00%

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