

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 seven AGMs during the Quarter under review.

Table 1: Meetings Voted

Region	Meeting Type						Total
	AGM	Class	Court	EGM	GM	SGM	
Asia & Oceania: Emerging	1	0	0	0	0	0	1
Asia & Oceania: Developed	1	0	0	0	0	0	1
Japan	1	0	0	0	0	0	1
North America	4	0	0	0	0	0	4
Total	7	0	0	0	0	0	7

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 97 resolutions.

Table 2: Resolutions Voted

Region	Meeting Type						Total
	AGM	Class	Court	EGM	GM	SGM	
Asia & Oceania: Emerging	9	0	0	0	0	0	9
Asia & Oceania: Developed	8	0	0	0	0	0	8
North America	13	0	0	0	0	0	13
UK & Ireland	67	0	0	0	0	0	67
Total	97	0	0	0	0	0	97

1.3 MEETINGS BY MONTH

The table below shows the majority of the meetings voted at by Surrey in the Quarter were held in March. The higher number of meetings in March reflects the earliest of the AGMs for companies with financial years ending on 31st December 2022.

Table 3: Meetings Voted Per Month

Event	January	February	March	Total
AGM	0	1	6	7
Class	0	0	0	0
Court	0	0	0	0
EGM	0	0	0	0
GM	0	0	0	0
SGM	0	0	0	0
Total	0	1	6	7

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 23.71% of the resolutions for which votes were cast during 2023 Q1, which is a slightly lower dissent rate than the proportion of resolutions opposed in the previous quarter (2022: Q4: 23.73%, 2022 Q3: 42.86%, 2022 Q2: 29.36%, Q1: 24.67%).

Board resolutions accounted for 57.73% of all resolutions voted and 43.48% of the total resolutions voted against management. Surrey voted against eight management proposed director candidates due to independence concerns. In addition, Surrey also voted against a resolution to elect the board by way of slate due to a lack of disclosure concerning the nominees to be elected and supported a shareholder proposal concerning the shareholder right to nominate directors.

35% of Remuneration resolutions were voted against management. Of the seven resolutions voted against, four were remuneration report approvals, one was a long-term incentive plan approval, one was a resolution to set the limit on aggregate remuneration payable to the Board of Directors, and one was a shareholder proposal.

Surrey voted against four 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.

In the Capital category, Surrey voted against a share issue authority request due to concerns over the size of the dis-application of pre-emption rights and potential dilution to existing shareholders.

The sole Shareholder Rights resolution voted against management recommendation concerned a shareholder request to lower the threshold required for shareholders to call a special shareholder meeting.

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

Table 4: Votes Against Management By Resolution Category

Resolution Category	Total Resolutions	Voted Against Management	% Against Management	% All Votes Against Management
Audit & Reporting	11	4	36.36%	17.39%
Board	56	10	17.86%	43.48%
Capital	4	1	25.00%	4.35%
Corporate Action	0	0	-	-
Other	0	0	-	-
Remuneration	20	7	35.00%	30.43%
Shareholder Rights	3	1	33.33%	4.35%
Sustainability	3	0	0.00%	0.00%
Total	97	23	23.71%	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 5.62%, Surrey opposed management on 23.71% of resolutions.

Resolutions opposed by Surrey received average general shareholder dissent of 11.40%, a much higher level than the dissent received on resolutions which Surrey supported (3.56%). 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	11	36.36%	3.04%
Board	56	17.86%	5.39%
Capital	4	25.00%	1.00%
Corporate Action	0	-	-
Other	0	-	-
Remuneration	20	35.00%	4.01%
Shareholder Rights	3	33.33%	24.88%
Sustainability	3	0.00%	14.40%
Total	97	23.71%	5.62%

Poll data was collected for 86.60% 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 four resolutions that received shareholder dissent of more than 20%. This compares to one resolution opposed with high dissent in the previous quarter.

Table 6: High Dissent Resolutions

Company	Resolution	Shareholder Dissent	Surrey Policy Concern
Apple Inc	To approve the shareholder proxy access amendments	31.64%	The shareholder proposal if enacted, would enhance shareholder rights.
Applied Materials Inc	To amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting	50.49%	The shareholder proposal if enacted, would enhance shareholder rights.
Bank Mandiri (Persero) Tbk PT	To approve the changes in the Composition of the Company's Management	26.46%	Insufficient disclosure provided to make an informed voting decision.
Samsung SDI Co Ltd	To elect Jun Young-Hyun as an internal director	20.40%	Independence concerns.

During 2023 Q1, no resolutions proposed by management were defeated and one shareholder-proposed resolution was successful. This compared to no defeated management-proposed resolutions and no successful shareholder-proposed resolutions in 2022 Q4.

Surrey voted in favour on a shareholder proposal at Applied Materials Inc requesting the Board to lower the threshold required for shareholders to call a special shareholder meeting from 20% to 10% of outstanding shares. Surrey voted supported the proposal and the proposal was successful receiving majority support. The Board of Directors has stated it will take the vote under consideration.

The ability to call special meetings gives shareholders a way to bring important matters to the attention of both management and shareholders outside of the annual meeting cycle and is generally considered an important shareholder right. Currently, a majority of companies in the S&P500 allow shareholders to call special meetings and institutional investors generally favour a threshold of between 10% to 15%.

2.3 RESOLUTION TYPES AND SUB-CATEGORIES

2.3.1 SHAREHOLDER PROPOSED RESOLUTIONS

Seven resolutions voted during the period were proposed by shareholders. All of the shareholder resolutions were proposed in the North America region. Surrey voted on six 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 19.43% votes in favour during the Quarter and one shareholder proposal was successful.

Table 7: Shareholder Proposed Resolutions

Company	Shareholder Proposal	Surrey Vote	% For
Apple Inc	To approve a Civil Rights and Non-discrimination Audit Proposal	Against	1.39%
Apple Inc	To approve the Communist China Audit	Against	4.32%
Apple Inc	To approve the board policy for communication with shareholder proponents	Against	6.40%
Apple Inc	To approve the Racial and Gender Pay Gaps report	Against	33.33%
Applied Materials Inc	To approve the shareholder proxy access amendments	For	30.69%
Applied Materials Inc	To amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting	For	50.26%
Applied Materials Inc	To improve the executive compensation program and policy to include the CEO pay ratio factor	For	9.63%

2.3.2 REMUNERATION

Votes against remuneration resolutions in 2023 Q1 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 five 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 four of the resolutions opposed by the fund.
- **Assessment:** In four 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.

All remaining concerns featured in only one resolution opposed during the Quarter. These concerns included a lack of transparency on the upper individual limit in respect of a long-term incentive plan and a lack of individualised remuneration disclosure.

Table 8: Remuneration Votes Against Management

Resolution Category	Total Resolutions	Voted Against Management	% Against Management
Remuneration - Other	13	1	7.69%
Remuneration - Report	4	4	100.00%
Remuneration - Policy (Long-term Incentives)	1	1	100.00%
Remuneration - Non-executive	1	0	0.00%
Remuneration - Amount (Total, Collective)	1	1	100.00%
Total	20	7	35.00%