



# The Surrey Pension Fund

## Voting Report: Q2 2024



# 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 40 AGMs during the Quarter under review.

Table 1: Meetings Voted

Region	Meeting Type							Total
	AGM	Class	Court	EGM	GM	OGM	SGM	
Asia & Oceania: Developed	2	0	0	0	0	0	0	2
Europe: Developed	8	0	0	0	0	0	0	8
Japan	1	0	0	0	0	0	0	1
North America	24	0	0	0	0	0	0	24
UK & Ireland	5	0	0	0	0	0	0	5
<b>Total</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>

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 extraordinary nature. Such business may require a special quorum or approval level.
GM	A General Meeting, a term often used interchangeably with the terms EGM and OGM depending on the term used by the company in question.
OGM	An Ordinary General Meeting, a term often used interchangeably with the terms EGM, and GM 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 742 resolutions.

Table 2: Resolutions Voted

Region	Meeting Type							Total
	AGM	Class	Court	EGM	OGM	GM	SGM	
Asia & Oceania: Developed	25	0	0	0	0	0	0	25
Europe: Developed	191	0	0	0	0	0	0	191
Japan	11	0	0	0	0	0	0	11
North America	401	0	0	0	0	0	0	401
UK & Ireland	114	0	0	0	0	0	0	114
<b>Total</b>	<b>742</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>742</b>

## 1.3 MEETINGS BY MONTH

The table below shows the majority of the meetings voted at by Surrey in the Quarter were held in May reflecting the relatively condensed AGM season for companies in North America, Europe and the UK.

Table 3: Meetings Voted Per Month

Event	April	May	June	Total
AGM	9	23	8	40
Class	0	0	0	0
Court	0	0	0	0
EGM	0	0	0	0
GM	0	0	0	0
OGM	0	0	0	0
SGM	0	0	0	0
<b>Total</b>	<b>9</b>	<b>23</b>	<b>8</b>	<b>40</b>

## 12 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 27.49% of the resolutions for which votes were cast during 2024 Q2, which is a slightly higher dissent rate than the proportion opposed in the previous quarter (2024: Q1: 26.85%, 2023: Q4: 26.98%, 2023 Q3: 18.37%, Q2: 28.98%).

Board resolutions accounted for 52.56% of all resolutions voted on during the Quarter and 18.21% of the total resolutions voted against management. The majority of Surrey's dissenting votes on board-related resolutions related to votes cast against management proposed director candidates.

62.77% of Remuneration resolutions were voted against management. Of the 59 resolutions opposed, 29 were remuneration report approvals, 12 were remuneration policy approvals, 11 concerned the total remuneration paid to an individual director during the year, three were long-term incentive plan approvals, two were non-executive remuneration items and two were shareholder proposals.

22 of Surrey's oppositional votes in the Audit & Reporting category were votes cast against the appointment of an external auditor due to concerns with audit tenure and independence. The remaining oppositional votes were votes cast against the report & accounts due to various disclosure concerns.

Surrey opposed management on six Capital-related resolutions. Of the resolutions opposed, four related to share buyback authorities and two related to share issue authorities.

Surrey voted against management on four resolutions in the Shareholder Rights category. All four resolutions were shareholder proposals seeking enhanced shareholder rights and/or governance practices, such as asking for the removal of supermajority voting provisions and the adoption of the one-share one-vote principle.

Surrey voted against management on 29 shareholder proposals in the Sustainability category and against one management-proposed resolution. The management resolution concerned a resolution to approve the sustainability report where Surrey had concerns with the level of disclosure provided. The majority of the shareholder proposals supported related to human rights & workforce issues and environmental practices (including climate change). All Political Activity-related resolutions voted against management concerned votes cast in favour of shareholder proposals seeking enhanced disclosure on political expenditure and/or lobbying.

Surrey voted in line with management on all resolutions in the Charitable Activity and Corporate Action categories and against all 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	73	26	35.62%	12.75%
Board	390	71	18.21%	34.80%
Capital	90	6	6.67%	2.94%
Charitable Activity	1	0	0.00%	0.00%
Corporate Action	8	0	0.00%	0.00%
Other	3	3	100.00%	1.47%
Political Activity	9	5	55.56%	2.45%
Remuneration	94	59	62.77%	28.92%
Shareholder Rights	30	4	13.33%	1.96
Sustainability	44	30	66.18%	14.71%
<b>Total</b>	<b>742</b>	<b>204</b>	<b>27.49%</b>	<b>100.00%</b>

## 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 5.40%, Surrey opposed management on 27.49% of resolutions.

Resolutions opposed by Surrey received average general shareholder dissent of 11.65%, a much higher level than the dissent received on resolutions that Surrey supported (3.07%). This highlights that Surrey has a robust policy which is consistent and aligned with other investors' governance concerns.

Table 5: Dissent by Resolution Category

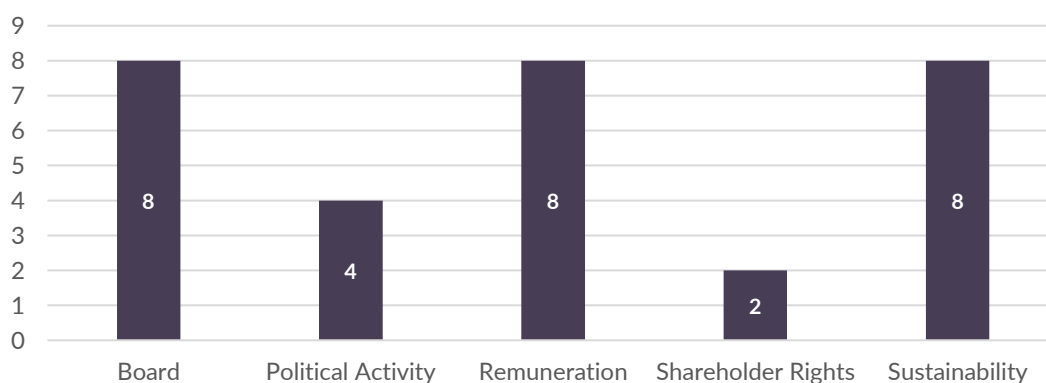
Resolution Category	Total Resolutions	% Surrey Against Management	Average Shareholder Dissent %
Audit & Reporting	73	35.62%	2.16%
Board	390	18.21%	4.19%
Capital	90	6.67%	3.38%
Charitable Activity	1	0.00%	0.43%
Corporate Action	8	0.00%	11.16%
Other	3	100.00%	-
Political Activity	9	55.56%	16.23%
Remuneration	94	62.77%	10.19%
Shareholder Rights	30	13.33%	5.40%
Sustainability	44	68.18%	12.10%
<b>Total</b>	<b>742</b>	<b>27.49%</b>	<b>5.40%</b>

Poll data was collected for 98.11% 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 30 resolutions that received shareholder dissent of more than 20%. This compares to four resolutions opposed with high dissent in the previous quarter.

Figure 1: High Dissent Resolutions by Resolution Category



During 2024 Q2, no resolutions proposed by management were defeated and two shareholder-proposed resolutions were successful. This compares to no defeated management-proposed resolutions and no successful shareholder-proposed resolutions in 2024 Q1.

The two successful shareholder proposals were requests filed at NVIDIA Corp and Roper Technologies Inc requesting the removal of supermajority voting provisions and adoption of the simple majority vote standard.

A supermajority voting standard requires a large majority of shareholders to approve a resolution, e.g., 66% votes in favour to pass a resolution. In contrast, a simple majority voting standard requires a vote of more than 50% to approve a resolution. Because of the higher threshold requirement, supermajority voting provisions make it harder for shareholders to approve a resolution and can be used as an entrenching mechanism by management. Surrey voted in favour of the proposals as the fund considers the use of a simple majority vote to be good practice and that enactment would enhance shareholder rights and governance practices.

The board of directors of NVIDIA and Roper Technologies both stated that they were interested in understanding the viewpoints of shareholders on the matter and therefore made no recommendation to shareholders on how to vote on the proposal. In both cases the proposals were supported by a majority of shareholders, with 89.99% of votes cast in favour at NVIDIA and 94.41% of votes cast in favour at Roper Technologies.

Table 6: Top Five Dissent Resolutions (excluding resolutions with no board recommendation)

Company	Resolution	Shareholder Dissent	Surrey Vote Rationale
Alcon AG	To approve the remuneration report	50.73%	Concerns were held with the structure of incentive pay as well as with the transparency and disclosure on performance targets. Additional concerns were held with a material increase in CEO long-term incentive opportunity.
JPMorgan Chase & Co	To request the Board, establish a policy of the Chairman being an independent director	43.49%	The shareholder proposal if enacted, would enhance independent oversight on the Board and governance practices.
Danaher Corp	To request the Board to lower the threshold required for shareholders to call a special shareholder meeting	43.32%	The shareholder proposal if enacted, would improve shareholder rights.
Adidas AG	To approve the remuneration report	41.08%	Concerns were held with severance provisions and the transparency and disclosure provided on the performance conditions applicable to long-term incentive awards.
JPMorgan Chase & Co	To request that the Board adopt a policy giving opportunity to vote on excessive golden parachutes	41.02%	The shareholder proposal if enacted would provide information to aid shareholder understanding of the matter.

Although the resolution to approve the remuneration report at Alcon AG received over 50% shareholder dissent, the resolution passed as the number of votes cast 'For' exceeded the votes cast 'Against', as abstentions are not counted as a vote under Switzerland Company Law. This highlights the potential pitfalls of abstaining when concerns are held.

## 2.3 RESOLUTION TYPES AND SUB-CATEGORIES

### 2.3.1 SHAREHOLDER PROPOSED RESOLUTIONS

58 resolutions voted during the period were proposed by shareholders. All of the shareholder resolutions were proposed in the North America region. Surrey voted on seven 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 16.21% dissent (i.e., a vote against management recommendation) during the Quarter. Management provided no recommendation on two resolutions and recommended shareholders to vote against 56 shareholder proposals.

Table 7: Shareholder Proposed Resolutions

Company	Shareholder Proposal	Surrey Vote	% Dissent
Alphabet Inc	To approve a shareholder proposal to amend the Bylaw to approve director compensation.	For	0.82%
Alphabet Inc	To approve a shareholder proposal regarding EEO policy risk report	Against	0.52%
Alphabet Inc	To request a report on electromagnetic radiation and wireless technologies risks.	For	1.26%
Alphabet Inc	To request a policy for director transparency on political and charitable giving.	Against	0.43%
Alphabet Inc	To request a report on climate risks to retirement plan beneficiaries.	For	6.62%
Alphabet Inc	To request the Board to prepare a report to shareholders on lobbying	For	15.99%
Alphabet Inc	To approve a shareholder proposal regarding equal shareholder voting.	For	31.43%
Alphabet Inc	To request a report on reproductive healthcare misinformation risks	For	6.86%
Alphabet Inc	To approve a shareholder proposal regarding AI principles and Board oversight.	For	7.58%
Alphabet Inc	To request a report on generative AI misinformation and disinformation risks	For	17.84%
Alphabet Inc	To request a human rights assessment of AI-driven targeted ad policies.	For	18.78%
Alphabet Inc	To request a report on online safety for children	For	14.90%

Company	Shareholder Proposal	Surrey Vote	% Dissent
Amazon.com Inc	To request that the Board to Establish a Public Policy Committee	For	8.72%
Amazon.com Inc	To request that the Board to Establish an additional board Committee to oversee financial impact of policy positions.	Against	2.38%
Amazon.com Inc	To request that the Board produce a report on customer due diligence	For	15.54%
Amazon.com Inc	To request the Board to prepare a report to shareholders on lobbying	For	30.15%
Amazon.com Inc	To request that the Board to provide additional reporting on Racial and Gender Pay Gap	For	29.68%
Amazon.com Inc	To request the Board to prepare a report on viewpoint restriction	Against	1.48%
Amazon.com Inc	To request that the Board to provide additional reporting on stakeholder impacts	For	23.94%
Amazon.com Inc	To request the Board to prepare a report on packaging materials.	For	29.11%
Amazon.com Inc	To request that the Board provide additional reporting on freedom of association.	For	32.27%
Amazon.com Inc	To request that the Board provide alternative emissions reporting	Against	15.89%
Amazon.com Inc	To request the Board to prepare a report on customer use of certain technologies	For	19.76%
Amazon.com Inc	To request the Board to prepare a report to shareholders on the Company's political donations	Against	1.43%
Amazon.com Inc	To request that the Board to Establish an additional board Committee to oversee artificial intelligence	For	10.54%
Amazon.com Inc	To request the Board to prepare a report to shareholders on warehouse working conditions	For	31.70%
Danaher Corp	To request the Board to take the steps necessary to amend the Bylaws so that a lower threshold is required for shareholders to call a special shareholder meeting	For	43.32%
Danaher Corp	To request the Board to produce a report to shareholders on the effectiveness of the Company's diversity, equity, and inclusion efforts	For	14.76%
Eli Lilly & Company	To request the Board to prepare a report to shareholders on lobbying	For	26.73%



Company	Shareholder Proposal	Surrey Vote	% Dissent
Eli Lilly & Company	To request the Board to prepare a report on effectiveness of the company's diversity, equity, and inclusion efforts	For	24.22%
Eli Lilly & Company	To request the Board to prepare a report on a process by which the impact of extended patent exclusivities on product access would be considered in deciding whether to apply for secondary and tertiary patents	For	9.67%
Eli Lilly & company	To request the Board to adopt a comprehensive human rights policy	For	10.69%
Goldman Sachs Group Inc	To request that the Board establish a policy of the Chairman being an independent director	For	34.29%
Goldman Sachs Group Inc	To request the Board to prepare a report to shareholders on lobbying	For	39.86%
Goldman Sachs Group Inc	To request the Board to prepare a report for shareholders on efforts regarding protected classes of employees.	For	15.81%
Goldman Sachs Group Inc	To request the Board to prepare a report to shareholders on environmental justice impact assessment	For	10.79%
Goldman Sachs Group Inc	To request the Board to prepare a report to shareholders on clean energy supply financing ratio	For	29.58%
Goldman Sachs Group Inc	To request the Board to prepare a report to shareholders on GSAM Proxy Voting Review	For	9.32%
Goldman Sachs Group Inc	To request the Board to prepare a report to shareholders on financial statement assumptions regarding climate change	Against	1.58%
Goldman Sachs Group Inc	To request the Board to prepare a report to shareholders on pay equity	For	30.42%
Goldman Sachs Group Inc	To request the Board, adopt a director election resignation Bylaw	Abstain	30.42%
JPMorgan Chase & Co	To request that the Board establish a policy of the Chairman being an independent director	For	43.49%
JPMorgan Chase & Co	To request that the Board report on humanitarian risks due to climate change policies	Against	2.27%
JPMorgan Chase & Co	To request that the Board report on indigenous people's rights indicators	For	31.80%
JPMorgan Chase & Co	To request that the Board review proxy voting record and policies related to diversity and climate change	For	9.39%
JPMorgan Chase & Co	To request that the Board report on due diligence in conflict high risk areas	For	8.89%

Company	Shareholder Proposal	Surrey Vote	% Dissent
JPMorgan Chase & Co	To request that the Board adopt a policy giving opportunity to vote on excessive golden parachutes	For	41.02%
JPMorgan Chase & Co	To request that the Board report on respecting workforce civil liberties	Against	Withdrawn
Mastercard Inc	To request the Board to prepare a report to shareholders on lobbying	For	25.89%
Mastercard Inc	To request director election resignation bylaw	Against	14.20%
Mastercard Inc	To request a congruency report on privacy and human rights	Against	1.69%
Mastercard Inc	To request a human rights congruency report	Against	1.59%
Mastercard Inc	To request a report on gender-based compensation and benefit gaps	Against	1.75%
Nestlé SA	To request the Articles of Association be amended regarding sales of healthier and less health foods	For	12.12%
NVIDIA Corp	To request the Board to amend the governing documents to remove the supermajority voting provisions	For	-*
Progressive Corp	To request that the Board Report to Shareholders on Risks Created by the Company's Diversity, Equity, and Inclusion Effort	Against	1.78%
Roper Technologies Inc	To request the Board to amend the governing documents to remove the supermajority voting provision	For	-*
Zoetis Inc	To request that the Board to improve the director resignation policy	For	4.19%

*\*Management provided no recommendation to shareholders on how to vote on the proposals seeking the removal of supermajority voting provisions at NVIDIA Corp and Roper Technologies Inc.*

## 2.3.2 REMUNERATION

Votes against remuneration resolutions in 2024 Q2 reflected the principles advocated in Surrey's voting policy. Four distinct concerns informed Surrey's remuneration voting during the Quarter:

- **Alignment:** There was an insufficient link between the performance measures used in the incentive pay elements and a company's reported key performance indicators. This was a concern in 30 of remuneration resolutions opposed by the fund.
- **Severance Provisions:** The contract provisions for executives provided for potentially excessive severance payments on early termination. This was a factor in 29 of remuneration resolutions opposed by the fund.
- **Disclosure:** There was incomplete forward-looking disclosure on the performance conditions applicable to long-term incentive awards to be granted in the coming year. This was a factor in 27 of the remuneration resolutions opposed by the fund.
- **Clawback:** A company's disclosures did provide any evidence of clawback and/or malus/forfeiture measures in place in respect of long-term incentives. This was a factor in 20 of remuneration resolutions opposed by the fund.

All remaining concerns featured in less than 20 resolutions opposed during the Quarter. These concerns included the potential for accelerated vesting of equity awards on termination, a lack of disclosure on the quantitative targets used in the annual bonus plan, the provision for partial vesting of awards for below median performance, the performance period and/or vesting period for long-term incentives was considered too short, and a lack of disclosure on incentive pay limits.

Table 8: Remuneration Votes Against Management

Resolution Category	Total Resolutions	Voted Against Management	% Against Management
Remuneration - Report	35	29	82.86%
Remuneration - Policy (Overall)	23	12	52.17%
Remuneration - Amount (Total, Individual)	16	11	68.75%
Remuneration - Amount (Total, Collective)	7	0	0.00%
Remuneration-Non-Executives	6	2	33.33%
Remuneration - Policy (Long-term Incentives)	5	3	60.00%
Remuneration Other	2	2	100.00%
<b>Total</b>	<b>94</b>	<b>59</b>	<b>62.77%</b>

This page is intentionally left blank