



# The Surrey Pension Fund

## Voting Report: Q3 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 five during the Quarter under review.

Table 1: Meetings Voted

Region	Meeting Type							Total
	AGM	Class	Court	EGM	GM	OGM	SGM	
Asia & Oceania: Emerging	1	0	0	0	0	0	0	1
Asia & Oceania: Developed	1	0	0	0	0	0	0	1
Europe: Developed	2	0	0	0	0	0	0	2
UK & Ireland	1	0	0	0	0	0	0	1
<b>Total</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</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 91 resolutions, with the majority (57.75%) of these in Europe.

Table 2: Resolutions Voted

Region	Meeting Type							Total
	AGM	Class	Court	EGM	OGM	GM	SGM	
Asia & Oceania: Emerging	16	0	0	0	0	0	0	16
Asia & Oceania: Developed	8	0	0	0	0	0	0	8
Europe: Developed	48	0	0	0	0	0	0	48
UK & Ireland	19	0	0	0	0	0	0	19
<b>Total</b>	<b>91</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>91</b>

## 1.3 MEETINGS BY MONTH

The table below shows Surrey voted at two meetings in July and September and at one meeting in August during the Quarter.

Table 3: Meetings Voted Per Month

Event	July	August	September	Total
AGM	2	1	2	5
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>2</b>	<b>1</b>	<b>2</b>	<b>5</b>

## 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 which Surrey is entitled to vote along with the number of contentious resolutions voted during the quarter. Surrey voted against management on 17.58% of the resolution for which votes were cast during 2024 Q3 which is a lower dissent rate than the proportion opposed in the previous quarter (2024: Q2: 27.49%, Q1: 26.85%, 2023: Q4: 26.98%, Q3: 18.37%).

In the Audit & Reporting category, Surrey voted against management on two resolutions (16.67%). 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.

Board resolutions accounted for 62.50% of all resolutions voted on during the Quarter and 15.87% 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 due to independence concerns.

Four Remuneration resolutions were voted against management (66.67%). Of the four resolutions opposed, two were remuneration report approvals and two related to approvals of the total aggregate remuneration payable to directors.

The Fund voted in line with management on all resolutions in the Capital, Shareholder Rights and Sustainability categories.

Table 4: Votes Against Management By Resolution Category

Resolution Category	Total Resolutions	Voted Against Management	% Against Management	% All Votes Against Management
Audit & Reporting	12	2	16.67%	12.50%
Board	63	10	15.87%	62.50%
Capital	7	0	0.00%	0.00%
Remuneration	6	4	66.67%	25.00%
Shareholder Rights	2	0	0.00%	0.00%
Sustainability	1	0	0.00%	0.00%
<b>Total</b>	<b>91</b>	<b>16</b>	<b>17.58%</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 4.34% Surrey opposed management on 17.58% of resolutions.

Resolutions opposed by Surrey received average general shareholder dissent of 7.21%, a much higher level than the dissent received on resolutions that Surrey supported 3.71%. 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	12	16.67%	3.01%
Board	63	15.58%	4.52%
Capital	7	0.00%	3.60%
Remuneration	6	66.67%	8.04%
Shareholder Rights	2	0.00%	0.02%
Sustainability	1	0.00%	0.30%
<b>Total</b>	<b>91</b>	<b>17.58%</b>	<b>4.34%</b>

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 30 resolutions opposed with high dissent in the previous quarter.

During 2024 Q3, no resolutions proposed by management were defeated and no resolutions proposed by shareholders were voted on. This compares to no defeated management-proposed resolutions and two successful shareholder-proposed resolutions in the previous quarter.

During the Quarter, a resolution at Compagnie Financiere Richemont SA seeking shareholder approval of the total variable remuneration payable to members of the Executive Committee for the reporting year received 23.65% shareholder dissent. Surrey voted against the resolution as there was no consultative vote on the remuneration report on the meeting agenda. Surrey considers it good practice for companies in the Switzerland market to submit its remuneration report for shareholder approval on an annual basis and will vote against resolutions seeking approval of the total remuneration payable to directors where no such vote is proposed.

## 2.3 RESOLUTION TYPES AND SUB-CATEGORIES

### 2.3.1 SHAREHOLDER PROPOSED RESOLUTIONS

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.

During the Quarter, all 91 resolutions voted on were filed by management with no shareholder-proposed resolutions voted on. This compares to 58 shareholder-proposed resolutions voted on during the previous quarter.

### 2.3.2 REMUNERATION

Votes against remuneration resolutions in 2024 Q3 reflected the principles advocated in Surrey's voting policy. seven 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.
- **Disclosure:** There was incomplete forward-looking disclosure on the performance conditions applicable to long-term incentive awards to be granted in the coming year.
- **Below Median Vesting:** A long-term incentive plan utilised a relative performance condition that allowed for the partial vesting of awards for below-median performance.
- **ESG Metrics:** There was no disclosures to indicate that the Remuneration Committee considered ESG issues when setting performance targets for incentive remuneration.
- **LTIP Vesting:** The performance period and /or vesting was considered too short.
- **Severance Provisions:** Accelerated vesting of long-term incentive awards on termination was permitted for executive directors (i.e. vesting of awards not pro-rated down on termination following a change of control).
- **Lack of Say on Pay:** Shareholder approval was sought for prospective remuneration and there was no consultative vote on the remuneration report included on the meeting agenda.

Table 6: Remuneration Votes Against Management

Resolution Category	Total Resolutions	Voted Against Management	% Against Management
Remuneration - Report	2	2	100.00%
Remuneration - Amount (Total, Individual)	0	0	0
Remuneration - Amount (Total, Collective)	3	2	66.66%
Remuneration Other	1	0	0.00%
<b>Total</b>	<b>6</b>	<b>4</b>	<b>66.66%</b>