

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 six meetings were voted in total, comprising four AGMs and two non-AGMs.

Table 1: Meetings Voted

Region	Meeting Type						Total
	AGM	EGM	GM	Class	Court	SGM	
Europe: Developed	0	1	0	0	0	0	1
North America	2	0	0	0	0	0	2
UK & Ireland	2	0	1	0	0	0	3
Total	4	1	1	0	0	0	6

In all tables:

AGM	The Annual General Meeting of shareholders, normally required by law.
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.
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 either order an annual meeting or a special meeting.
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. This clearly shows the high volume of voting decisions that AGMs bring compared to other meetings.

Table 1 shows that AGMs comprised 66% of the meetings voted, while Table 2 shows that the AGMs accounted for approximately 94% of the resolutions voted.

In the Quarter under review, the fund was eligible to vote on 85 resolutions, with the majority of these in the UK & Ireland (49.41%) and North America (45.88%).

Table 2: Resolutions Voted

Region	Meeting Type						Total
	AGM	EGM	GM	Class	Court	SGM	
Europe: Developed	0	4	0	0	0	0	4
North America	39	0	0	0	0	0	39
UK & Ireland	41	0	1	0	0	0	42
Total	80	4	1	0	0	0	85

1.3 MEETINGS BY MONTH

The table below shows that two-thirds of the meeting voted at during the Quarter were held in December, with one meeting each in the months of October and November.

Table 3: Meetings Voted Per Month

Event	October	November	December	Total
AGM	0	1	3	4
EGM	1	0	0	1
GM	0	0	1	1
Class	0	0	0	0
Court	0	0	0	0
SGM	0	0	0	0
Total	1	1	4	6

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 25.88% of the resolutions for which votes were cast during 2021 Q4, which is a lower dissent rate than the proportion of resolutions opposed in the previous quarter (2021 Q3: 60.61%, 2021 Q2: 26.27%, 2021 Q1: 20.33%).

Board resolutions accounted for 46.59% of all resolutions voted and 22.73% of the total resolutions voted against management. All board-related resolutions voted against management were votes cast against management-proposed director candidates where independence concerns were held.

50% of Remuneration resolutions were voted against management. Of the five resolutions voted against, four were remuneration report approvals and one was a long-term incentive plan approval.

Surrey voted against one (20.00%) resolution in the Shareholder Rights category. The resolution opposed was a request for an authority to convene ordinary general meetings (other than AGMs) with a 14-day notice period.

All Capital-related resolutions opposed concerned share issue authority requests.

Both 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

Five of seven resolutions in the Sustainability category were proposed by shareholders and Surrey voted against management recommendation on all five resolutions. Of the remaining two Sustainability resolutions, both were resolutions to allow political expenditure at UK companies and Surrey voted against management on one such resolution.

Table 4: Votes Against Management By Resolution Category

Resolution Category	Total Resolutions	Voted Against Management	% Against Management	% All Votes Against Management
Audit & Reporting	8	2	25.00%	9.09%
Board	42	5	11.90%	22.73%
Capital	13	3	23.08%	13.64%
Remuneration	10	7	50.00%	22.73%
Shareholder Rights	5	1	20.00%	4.55%
Sustainability	7	6	85.71%	27.27%
Total	85	22	25.88%	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 4.78%, Surrey opposed management on 25.88% of resolutions. Resolutions opposed by Surrey received average general shareholder dissent of 13.31%, a higher level than the dissent received on resolutions which Surrey supported (1.60%). 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	8	25.00%	1.71%
Board	42	11.90%	2.81%
Capital	13	23.08%	1.76%
Remuneration	10	50.00%	5.08%
Shareholder Rights	5	20.00%	1.82%
Sustainability	7	85.71%	25.66%
Total	85	25.88%	4.78%

Poll data was collected for 95.29% of resolutions voted by Surrey during the Quarter.

2.2.1 VOTE OUTCOMES

During the Quarter, no resolutions proposed by management were defeated and one shareholder-proposed resolution was successful. This compares to no defeated management-proposed resolutions, and no shareholder-proposed resolutions voted on in the previous quarter.

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 dissent level of 20% is generally considered to be significant. During the Quarter, three resolutions opposed by Surrey received more than 20% dissent. This is a higher count than the one resolution opposed with high dissent in the previous quarter.

All three high dissent resolutions occurred at Microsoft Corp's AGM and concerned shareholder proposals on environmental, social and governance issues. A resolution requesting Microsoft's board release a report assessing the effectiveness of the company's workplace sexual harassment policies received 77.31% shareholder support. Surrey voted in favour of the resolution as it considered a report would provide shareholders with a greater understanding of how Microsoft is managing this risk.

In response to the vote, Microsoft hired a third-party law firm to review its sexual harassment and gender discrimination policies. Following the conclusion of the review, the board intends to publish a public transparency report documenting the review and its findings as well as management's plans for enhancements to current policies and practices.

2.3 RESOLUTION TYPES AND SUB-CATEGORIES

2.3.1 SHAREHOLDER PROPOSED RESOLUTIONS

Five 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 resolutions proposed by shareholders 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 34.47% support during the Quarter.

Company	Shareholder Proposal	Surrey Vote	% For
Microsoft Corp	To request the company report on median pay gaps across race and gender	For	39.53%
Microsoft Corp	To urge the board of directors to release a transparency report, at reasonable expense, assessing the effectiveness of the company's workplace sexual harassment policies	For	77.31%
Microsoft Corp	To request that the board of directors generally prohibit sales of facial recognition technology to all government entities	For	3.99%
Microsoft Corp	To request that the board of directors prepare a report on how implementation of the company's commitment to the Fair Chance Business Pledge advanced progress toward has eliminating racial discrimination at the company	For	13.66%
Microsoft Corp	To request the board to prepare a report to shareholders on lobbying	For	37.86%

2.3.2 REMUNERATION

Votes against remuneration resolutions in 2021 Q4 reflected the principles advocated in Surrey's voting policy. Three 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 three of the resolutions opposed by the fund.
- **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 Caps:** The upper bonus cap for any of the executive directors exceeded an acceptable multiple of salary. This was a factor in two 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 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.

All remaining concerns featured in only one resolution opposed during the Quarter. These concerns included preferential executive pension treatment and a lack of incorporation of key performance indicators when setting performance targets for incentive remuneration.

Table 6: Remuneration Votes Against Management

Resolution Category	Total Resolutions	Voted Against Management	% Against Management
Remuneration - Report	4	4	100.00%
Remuneration - Other	3	0	0.00%
Remuneration - Policy (All-employee Share Plans)	2	0	0.00%
Remuneration - Policy (Long-term Incentives)	1	1	100.00%
Total	10	5	50.00%

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