

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 10 meetings were voted in total, comprising nine AGMs and one GM.

Table 1: Meetings Voted

Region	Meeting Type						Total
	AGM	EGM	GM	Class	Court	SGM	
Asia & Oceania: Developed	1	0	0	0	0	0	1
Europe: Developed	1	0	0	0	0	0	1
Japan	1	0	0	0	0	0	1
North America	6	0	0	0	0	0	6
UK & Ireland	0	0	1	0	0	0	1
Total	9	0	1	0	0	0	10

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 90% of the meetings voted, while Table 2 shows that the AGMs accounted for approximately 99.33% of the resolutions voted.

In the Quarter under review, the fund was eligible to vote on 150 resolutions, with the majority of these in North America (70.66%).

Table 2: Resolutions Voted

Region	Meeting Type						Total
	AGM	EGM	GM	Class	Court	SGM	
Asia & Oceania: Developed	3	0	0	0	0	0	3
Europe: Developed	28	0	0	0	0	0	28
Japan	12	0	0	0	0	0	12
North America	106	0	0	0	0	0	106
UK & Ireland	0	0	1	0	0	0	1
Total	149	0	1	0	0	0	150

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 31 December 2021.

Table 3: Meetings Voted Per Month

Event	January	February	March	Total
AGM	2	0	7	9
EGM	0	0	0	0
GM	0	0	1	1
Class	0	0	0	0
Court	0	0	0	0
SGM	0	0	0	0
Total	2	0	8	10

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 24.67% of the resolutions for which votes were cast during 2022 Q4, which is a lower dissent rate than the proportion of resolutions opposed in the previous quarter (2021 Q4: 25.88%, 2021 Q3: 60.61%, 2021 Q2: 26.27%, 2021 Q1: 20.33%).

Board resolutions accounted for 62.00% of all resolutions voted and 18.92% of the total resolutions voted against management. The board-related resolutions voted against management were votes cast against management-proposed director candidates where independence concerns were held and votes against the discharge of directors from liability.

73.33% of Remuneration resolutions were voted against management. Of the 11 resolutions voted against, seven were remuneration report approvals, two were long-term incentive plan approvals, one was a resolution to set the limit on aggregate remuneration payable to the Board of Directors, and one was a shareholder proposal.

All of Surrey's votes against management in the Sustainability category were proposed by shareholders. Similarly, the sole Corporate Action resolution voted against management was a shareholder proposal concerning company purpose and strategy. Surrey opposed management on one shareholder proposal in the Shareholder Rights category and on one resolution to approve adjournments and/or postponements of the meeting.

Six 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 other oppositional vote was a vote cast against the report & accounts where disclosure concerns were held with sustainability disclosures.

Table 4: Votes Against Management By Resolution Category

Resolution Category	Total Resolutions	Voted Against Management	% Against Management	% All Votes Against Management
Audit & Reporting	15	7	46.67%	18.92%
Board	93	7	7.53%	18.92%
Capital	11	0	0.00%	0.00%
Corporate Action	2	1	50.00%	2.70%
Other	1	1	100.00%	2.70%
Remuneration	15	11	73.33%	29.73%
Shareholder Rights	5	2	40.00%	5.41%
Sustainability	8	8	100.00%	21.62%
Total	150	37	24.67%	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 6.11%, Surrey opposed management on 24.67% of resolutions.

Resolutions opposed by Surrey received average general shareholder dissent of 16.36%, a higher level than the dissent received on resolutions which Surrey supported (3.65%). 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	15	46.67%	1.64%
Board	93	7.53%	3.94%
Capital	11	0.00%	5.41%
Corporate Action	2	50.00%	4.38%
Other	1	100.00%	-
Remuneration	15	73.33%	8.67%
Shareholder Rights	5	40.00%	17.28%
Sustainability	8	100.00%	37.86%
Total	150	24.67%	6.61%

Poll data was collected for 97.33% of resolutions voted by Surrey during the Quarter.

2.2.1 VOTE OUTCOMES

During the Quarter, one resolution proposed by management was defeated and three 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, 11 resolutions opposed by Surrey received more than 20% dissent. This is a higher count than the three resolutions opposed with high dissent in the previous quarter.

The defeated management-proposed resolution occurred at TE Connectivity Ltd's AGM. The resolution concerned the renewal of the Board's authority to issue shares out of the Company's authorised capital, by a maximum amount of 50% of the share capital, for an additional two-year period.

2.3 RESOLUTION TYPES AND SUB-CATEGORIES

2.3.1 SHAREHOLDER PROPOSED RESOLUTIONS

12 resolutions voted during the period were proposed by shareholders. All of the shareholder resolutions were proposed in the North America region. Surrey voted on five 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 31.36% support during the Quarter and there were three successful proposals.

At Apple Inc, two shareholder proposals were successful. The first proposal asked the Board to oversee a third-party audit analysing the adverse impact of Apple's policies and practices on the civil rights of company stakeholders, above and beyond legal and regulatory matters, and to provide recommendations for improving the company's civil rights impact. Surrey voted in favour of the proposal, and it received 52.83% votes in favour.

The second proposal asked the Board to prepare a public report assessing the potential risks to the Company associated with its use of concealment clauses in the context of harassment, discrimination and other unlawful acts. Concealment clauses are defined as any employment or post-employment agreement, such as arbitration, non-disclosure or non-disparagement agreements, that Apple asks employees or contractors to sign which would limit their ability to discuss unlawful acts in the workplace, including harassment and discrimination. Surrey voted in favour of the proposal, and it passed receiving 49.32% votes in favour; greater than the 49.24% votes cast against the proposal.

The third proposal occurred at Costco Wholesale Corp and requested that Costco adopt short, medium, and long-term science-based greenhouse gas emissions reduction targets, inclusive of emissions from its full value chain, in order to achieve net-zero emissions by 2050 or sooner and to effectuate appropriate emissions reductions prior to 2030. Surrey voted in favour of the proposal, and it received 66.64% votes in favour.

Table 6: Shareholder Proposed Resolutions

Company	Shareholder Proposal	Surrey Vote	% For
Apple Inc	To request that the Board take steps to become a Social Purpose Corporation and to adopt such relevant social purposes	For	3.06%
Apple Inc	To request that the Board revise the Company's Transparency Reports with regard to requests from governments, that may reasonably be considered to limit freedom of expression or access to information	For	31.36%
Apple Inc	To request that the Board prepare a report on the extent that the company's policies and procedures protect workers in its supply chain from forced labour	For	33.25%
Apple Inc	To request that the Board report on median pay gaps across race and gender	For	33.30%

Company	Shareholder Proposal	Surrey Vote	% For
Apple Inc	To request that the Board oversee an audit analysing the impact of the company's policies on the civil rights of company stakeholders	For	52.83%
Apple Inc	To request that the Board prepare a report assessing the potential risks to the company associated with its use of concealment clauses in the context of harassment, discrimination and other unlawful acts	For	49.32%
Applied Materials Inc	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	47.28%
Applied Materials Inc	To request the Board to improve the executive compensation program and policy	For	8.25%
Costco Wholesale Corp	To request that the Board list the recipients of corporate charitable contributions over \$5,000	For	3.15%
Costco Wholesale Corp	To request that the Board adopt short, medium, and long-term science-based greenhouse gas emissions reduction targets	For	66.64%
Costco Wholesale Corp	To request the Board to prepare a report to address the links between structural racism, nutrition insecurity, and health disparities	For	16.50%

2.3.2 REMUNERATION

Votes against remuneration resolutions in 2022 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 nine of the resolutions opposed by the fund.
- **Assessment:** In six of the resolutions opposed by the fund the company in question had received a low Minerva Remuneration Assessment grade.
- **LTIP Vesting:** The performance period and/or vesting period was considered too short. This was a factor in six 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 four 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 disclosure of director remuneration.

Table 7: Remuneration Votes Against Management

Resolution Category	Total Resolutions	Voted Against Management	% Against Management
Remuneration – Report	7	7	100.00%
Remuneration - Amount (Total, Collective)	5	1	20.00%
Remuneration - Policy (Long-term Incentives)	2	2	100.00%
Remuneration – Other	1	1	100.00%
Total	15	11	73.33%