



# North East Scotland Pension Fund

## PROXY REPORTING REVIEW

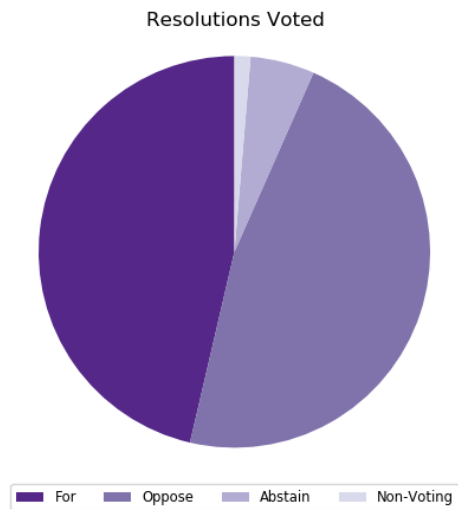
PERIOD 1<sup>st</sup> October 2024 to 31<sup>st</sup> December 2024

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# 1 Resolution Analysis

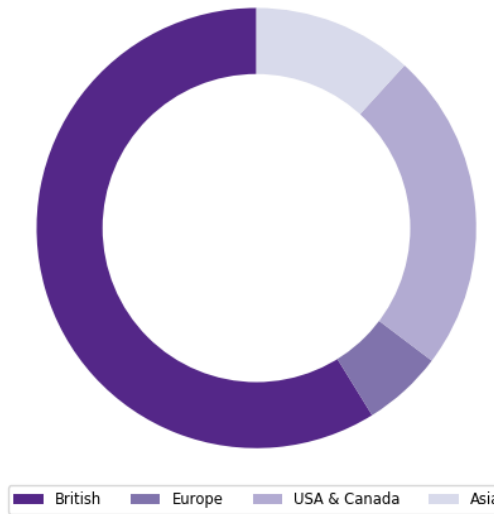
- Number of resolutions voted: 151 (note that it MAY include non-voting items).
- Number of resolutions supported by client: 70
- Number of resolutions opposed by client: 71
- Number of resolutions abstained by client: 8
- Number of resolutions Non-voting: 2
- Number of resolutions Withheld by client: 0
- Number of resolutions Not Supported by client: 0



### 1.1 Number of meetings reported by geographical location

Location	Number of Meetings reported
UK & BRITISH OVERSEAS	10
EUROPE & GLOBAL EU	1
USA & CANADA	4
ASIA	2
<b>TOTAL</b>	<b>17</b>

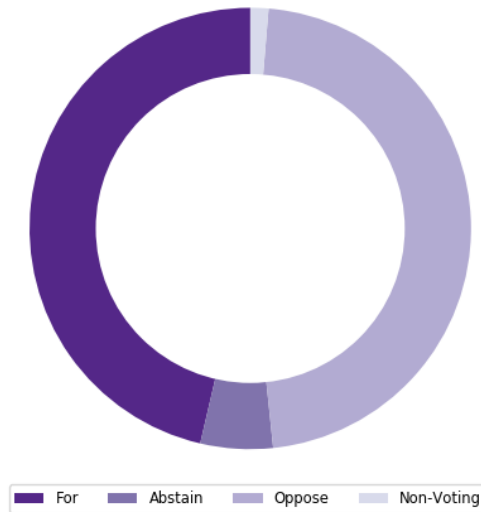
Meetings voted by geographic location



## 1.2 Number of Resolutions by Vote Categories

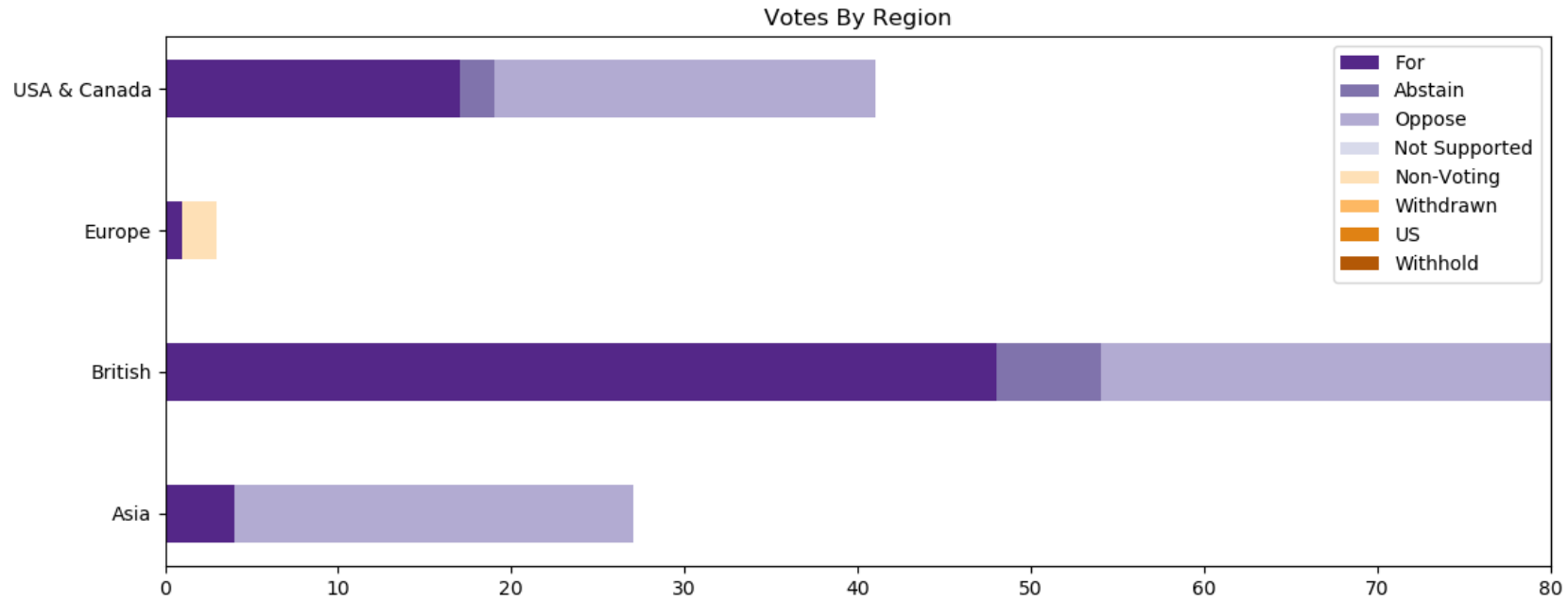
Vote Categories	Number of Resolutions
For	70
Abstain	8
Oppose	71
Non-Voting	2
Not Supported	0
Withhold	0
US Frequency Vote on Pay	0
Withdrawn	0
<b>TOTAL</b>	<b>151</b>

Resolutions by Vote Category



### 1.3 Number of Votes by Region

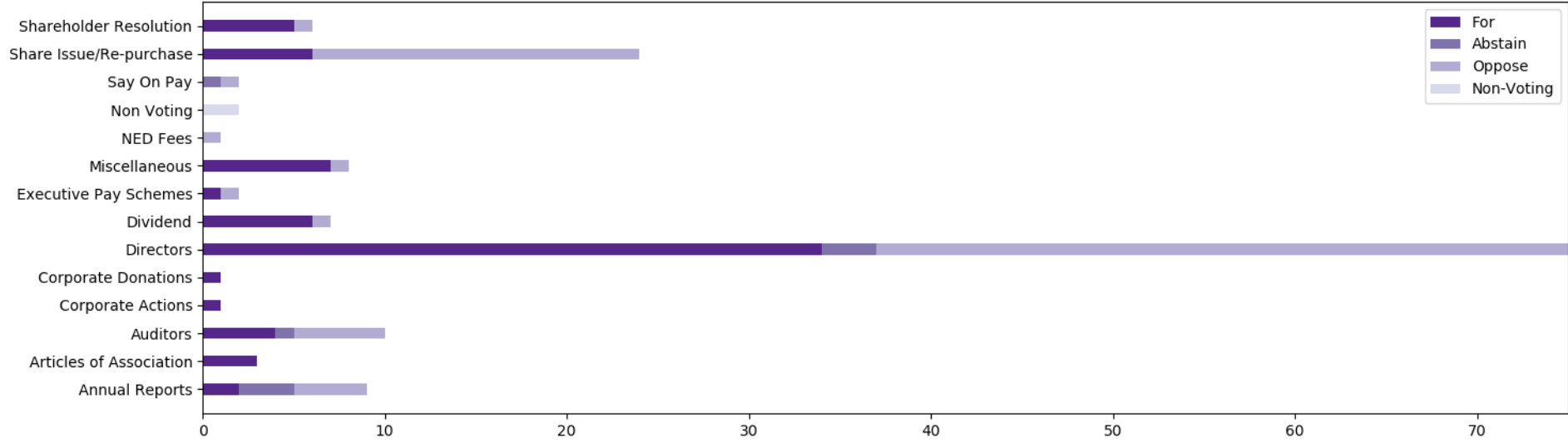
	For	Abstain	Oppose	Non-Voting	Not Supported	Withhold	Withdrawn	US Frequency Vote on Pay	Total
UK & BRITISH OVERSEAS	48	6	26	0	0	0	0	0	80
EUROPE & GLOBAL EU	1	0	0	2	0	0	0	0	3
USA & CANADA	17	2	22	0	0	0	0	0	41
ASIA	4	0	23	0	0	0	0	0	27
<b>TOTAL</b>	<b>70</b>	<b>8</b>	<b>71</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>151</b>



### 1.4 Votes Reported in the Portfolio Per Resolution Category

	Portfolio						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	2	3	4	0	0	0	0
Articles of Association	3	0	0	0	0	0	0
Auditors	4	1	5	0	0	0	0
Corporate Actions	1	0	0	0	0	0	0
Corporate Donations	1	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	34	3	38	0	0	0	0
Dividend	6	0	1	0	0	0	0
Executive Pay Schemes	1	0	1	0	0	0	0
Miscellaneous	7	0	1	0	0	0	0
NED Fees	0	0	1	0	0	0	0
Non-Voting	0	0	0	2	0	0	0
Say on Pay	0	1	1	0	0	0	0
Share Capital Restructuring	0	0	0	0	0	0	0
Share Issue/Re-purchase	6	0	18	0	0	0	0
Shareholder Resolution	5	0	1	0	0	0	0

Votes Made in Portfolio by Resolution Category

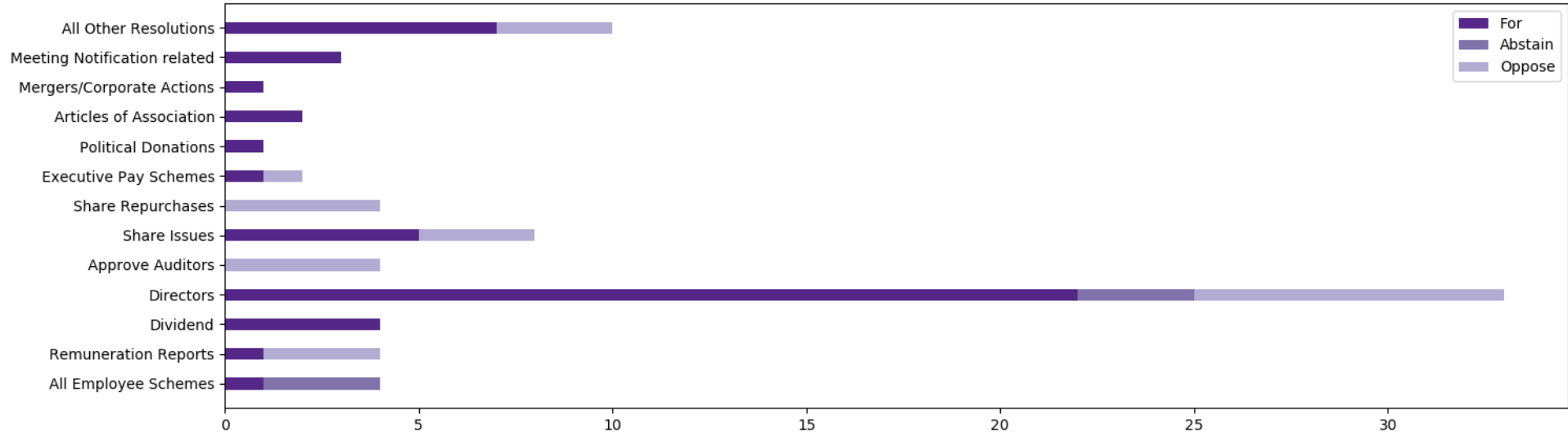




## 1.5 Votes Reported in the UK Per Resolution Category

	UK						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
Annual Reports	1	3	0	0	0	0	0
Remuneration Reports	1	0	3	0	0	0	0
Remuneration Policy	0	0	0	0	0	0	0
Dividend	4	0	0	0	0	0	0
Directors	22	3	8	0	0	0	0
Approve Auditors	0	0	4	0	0	0	0
Share Issues	5	0	3	0	0	0	0
Share Repurchases	0	0	4	0	0	0	0
Executive Pay Schemes	1	0	1	0	0	0	0
All-Employee Schemes	0	0	0	0	0	0	0
Political Donations	1	0	0	0	0	0	0
Articles of Association	2	0	0	0	0	0	0
Mergers/Corporate Actions	1	0	0	0	0	0	0
Meeting Notification related	3	0	0	0	0	0	0
All Other Resolutions	7	0	3	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0

Votes Made in UK by Resolution Category

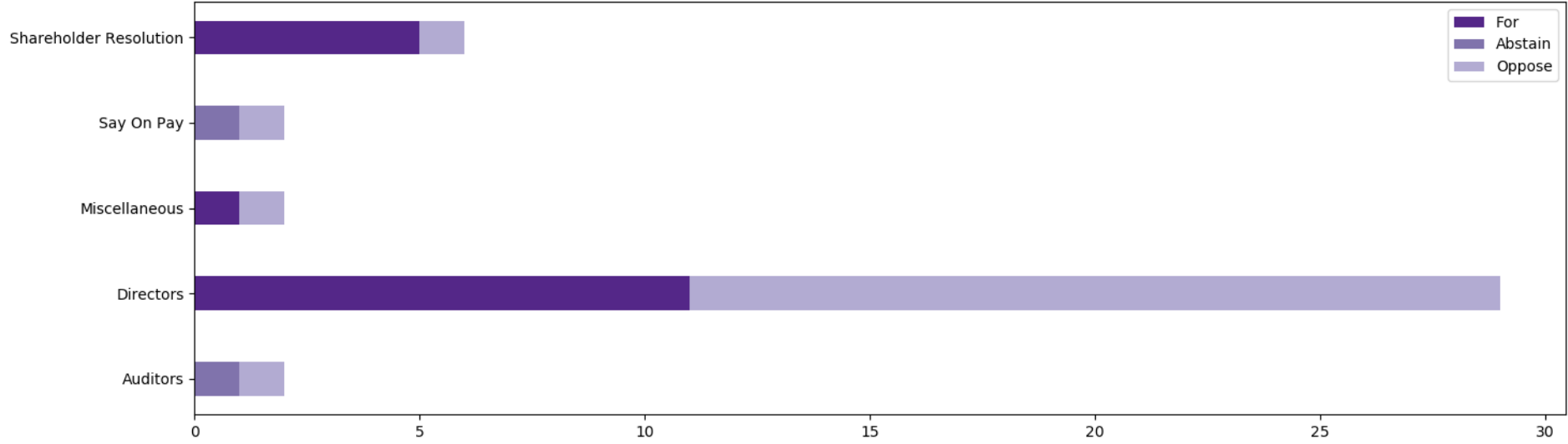


## 1.6 Votes Reported in the US/Global US & Canada Per Resolution Category

### US/Global US & Canada

	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	0	0	0	0	0	0	0
Articles of Association	0	0	0	0	0	0	0
Auditors	0	1	1	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	11	0	18	0	0	0	0
Dividend	0	0	0	0	0	0	0
Executive Pay Schemes	0	0	0	0	0	0	0
Miscellaneous	1	0	1	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	0	0	0	0
Say on Pay	0	1	1	0	0	0	0
Share Capital Restructuring	0	0	0	0	0	0	0
Share Issue/Re-purchase	0	0	0	0	0	0	0

Votes Made in US/Global US & Canada by Resolution Category

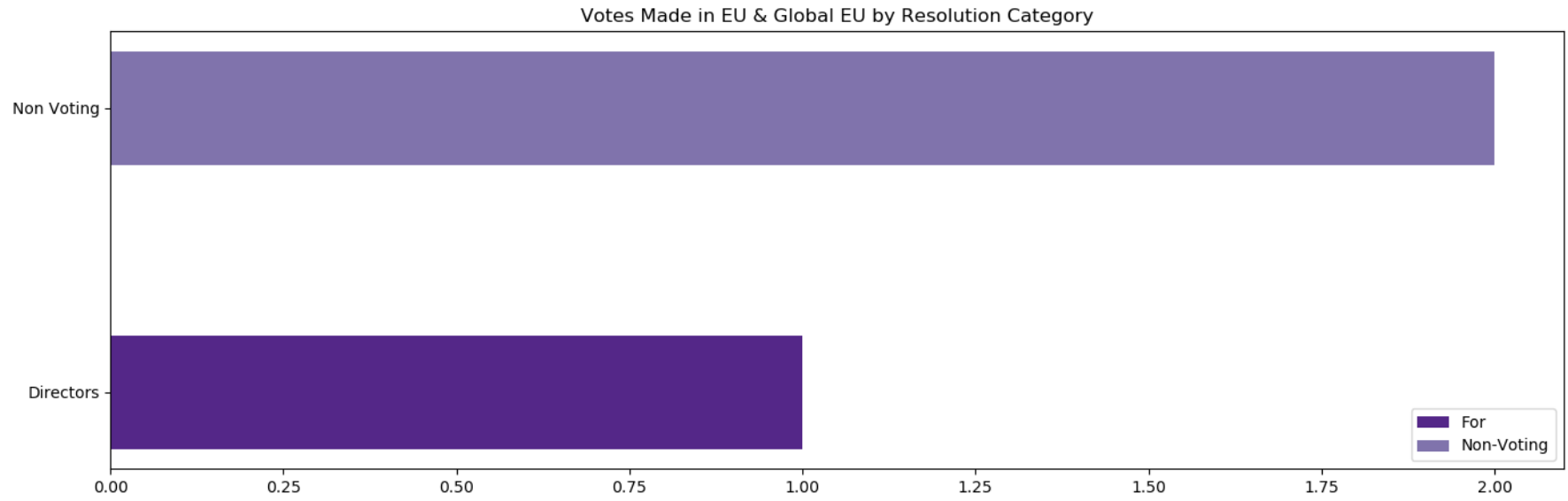


## 1.7 Shareholder Votes Made in the US Per Resolution Category

	US/Global US and Canada						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
<b>Social Policy</b>							
Human Rights	4	0	1	0	0	0	0
Environmental	1	0	0	0	0	0	0

### 1.8 Votes Reported in the EU & Global EU Per Resolution Category

	EU & Global EU						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	0	0	0	0	0	0	0
Articles of Association	0	0	0	0	0	0	0
Auditors	0	0	0	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	1	0	0	0	0	0	0
Dividend	0	0	0	0	0	0	0
Executive Pay Schemes	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	2	0	0	0
Say on Pay	0	0	0	0	0	0	0
Share Capital Restructuring	0	0	0	0	0	0	0
Share Issue/Re-purchase	0	0	0	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0

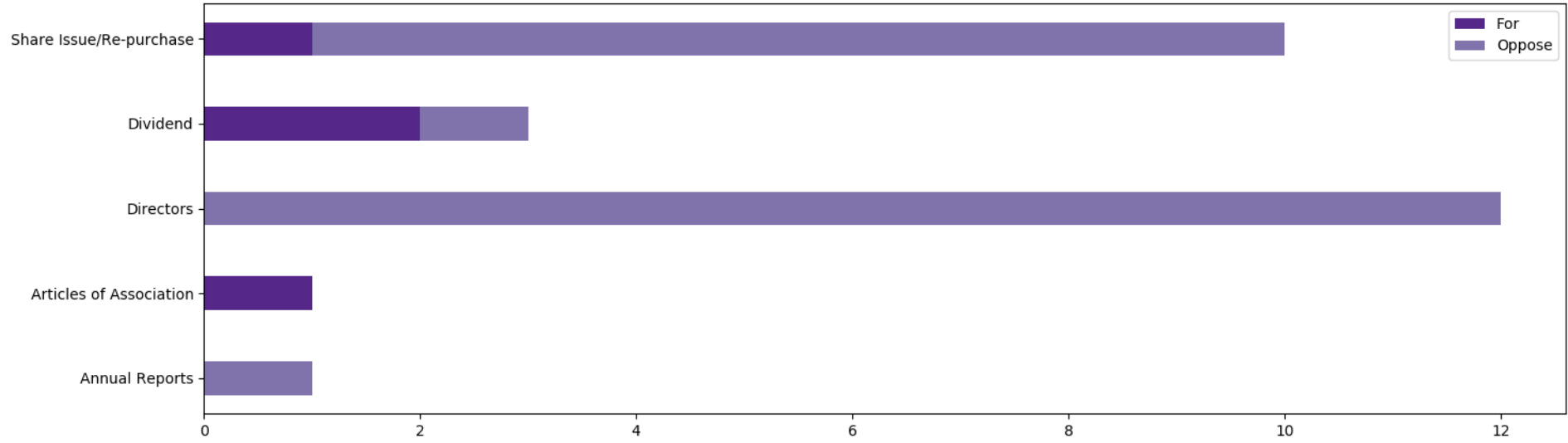


## 1.9 Votes Reported in the Global Markets Per Resolution Category

	Global Markets						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	0	0	1	0	0	0	0
Articles of Association	1	0	0	0	0	0	0
Auditors	0	0	0	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	0	0	12	0	0	0	0
Dividend	2	0	1	0	0	0	0
Executive Pay Schemes	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	0	0	0	0
Say on Pay	0	0	0	0	0	0	0
Share Capital Restructuring	0	0	0	0	0	0	0
Share Issue/Re-purchase	1	0	9	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0



Votes Made in Global Markets by Resolution Category



### 1.10 Geographic Breakdown of Meetings All Supported

**SZ**

Meetings	All For	AGM	EGM
0	0	0	0

**AS**

Meetings	All For	AGM	EGM
2	0	0	0

**UK**

Meetings	All For	AGM	EGM
10	5	0	5

**EU**

Meetings	All For	AGM	EGM
1	0	0	0

**SA**

Meetings	All For	AGM	EGM
0	0	0	0

**GL**

Meetings	All For	AGM	EGM
0	0	0	0

**JP**

Meetings	All For	AGM	EGM
0	0	0	0

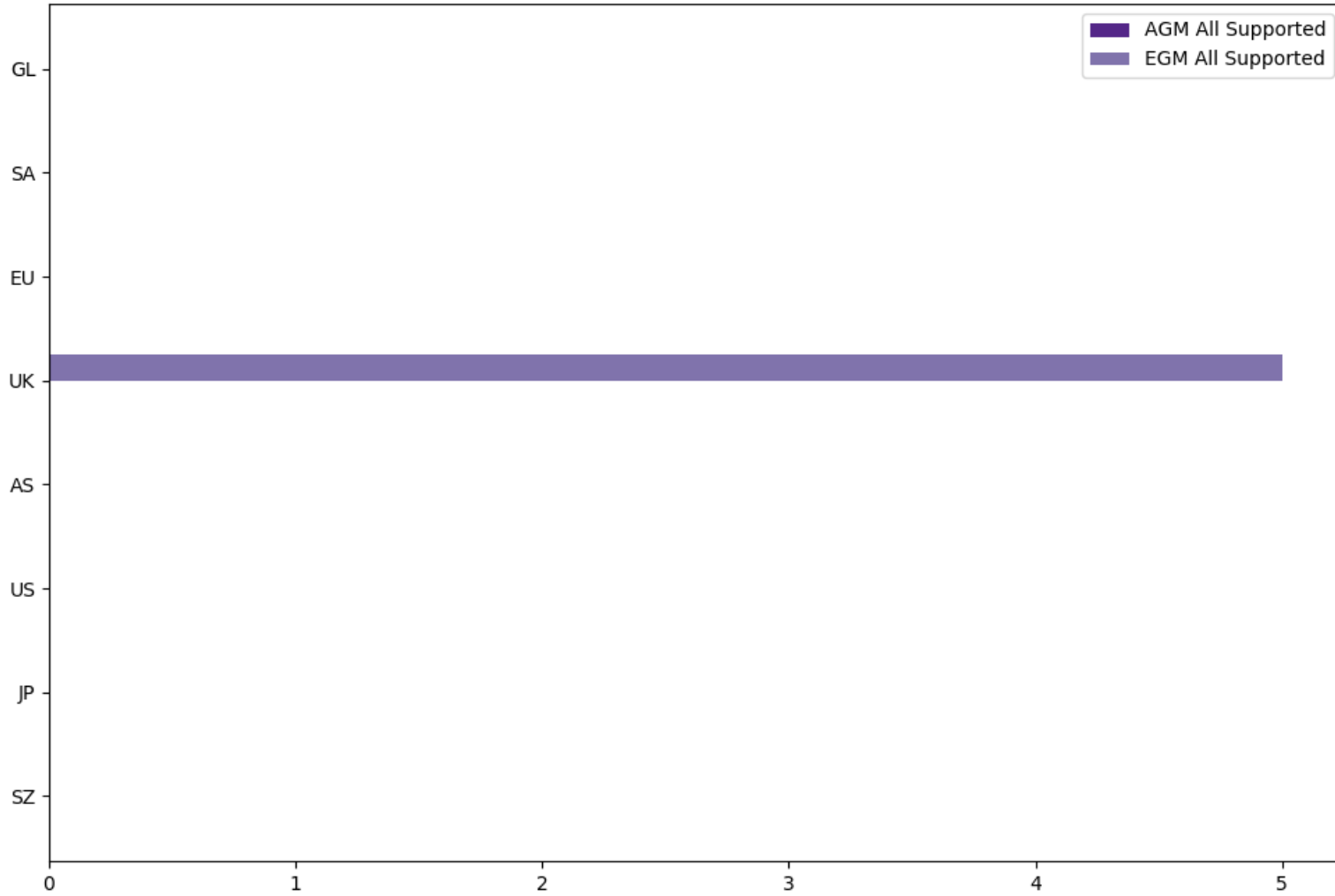
**US**

Meetings	All For	AGM	EGM
4	0	0	0

**TOTAL**

Meetings	All For	AGM	EGM
17	5	0	5

Geographic Breakdown of Meetings All Supported



## 1.11 List of all meetings reported

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
HARGREAVES LANSDOWN PLC	14-10-2024	EGM	1	1	0	0
HARGREAVES LANSDOWN PLC	14-10-2024	COURT	1	1	0	0
CREO MEDICAL GROUP PLC	18-10-2024	EGM	2	1	0	1
ADYEN NV	23-10-2024	EGM	3	1	0	0
FD TECHNOLOGIES PLC	24-10-2024	EGM	1	1	0	0
EXSCIENTIA PLC	12-11-2024	EGM	2	2	0	0
EXSCIENTIA PLC	12-11-2024	COURT	1	1	0	0
THE TRADE DESK INC	14-11-2024	EGM	2	1	0	1
GENUS PLC	20-11-2024	AGM	17	8	2	7
KWEICHOW MOUTAI CO LTD	27-11-2024	EGM	13	1	0	12
RENISHAW PLC	27-11-2024	AGM	17	8	2	7
HARGREAVES LANSDOWN PLC	06-12-2024	AGM	17	11	2	4
SOFTCAT PLC	09-12-2024	AGM	21	14	0	7
MICROSOFT CORPORATION	10-12-2024	AGM	20	9	0	11
ATLASSIAN CORPORATION	11-12-2024	AGM	13	4	2	7
PDD HOLDINGS	20-12-2024	AGM	6	3	0	3
CONTEMPORARY AMPEREX TECHNOLOGY	26-12-2024	EGM	14	3	0	11

\* Denotes that the meeting was processed with the Tumelo PTV service

## 2 Notable Oppose Vote Results With Analysis

Note: Here a notable vote is one where the Oppose result is at least 10%.

### MICROSOFT CORPORATION AGM - 10-12-2024

#### *5. Shareholder Resolution: Assessment of Investing in Bitcoin*

**Proponent's argument:** The proponent, the National Center for Public Policy Research, argues that effective asset management is vital to maintain shareholder value during inflationary periods. They highlight Bitcoin's strong historical performance, stating that over the past five years, Bitcoin has outperformed corporate bonds by approximately 411%. The proposal notes that MicroStrategy, a tech company holding Bitcoin, saw its stock outperform Microsoft by 313% over the past year, despite its smaller scale. The proponent contends that Bitcoin is an excellent hedge against inflation, suggesting even a minimal allocation of 1% of Microsoft's assets to Bitcoin could benefit shareholders. They urge Microsoft to evaluate Bitcoin alongside traditional financial instruments to diversify risk and safeguard against inflation.

**Company's response:** The Board opposes the proposal, stating that Microsoft's Global Treasury and Investment Services team already evaluates diverse asset classes, including Bitcoin, for treasury management. They emphasize that the team prioritizes stable and predictable investments to ensure liquidity and operational funding. The Board also underscores that Bitcoin's volatility makes it unsuitable for corporate treasury use, which requires predictable assets to support business operations. Microsoft asserts that the requested public assessment is unnecessary due to existing practices, as the company continuously monitors cryptocurrency trends and developments to inform decision-making.

**PIRC analysis:** This proposal raises a valid point about the need for strategic asset management in inflationary environments. However, Bitcoin's high volatility and speculative nature could conflict with the stability required for corporate treasury management. While the assessment could promote transparency, it may not align with Microsoft's financial strategy or shareholder interests. While the concept of diversification is important, the high-risk profile of Bitcoin makes this proposal less compelling in terms of financial stability. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 0.5, Abstain: 0.4, Oppose/Withhold: 99.0,

### MICROSOFT CORPORATION AGM - 10-12-2024

#### *7. Shareholder Resolution: Report on Artificial Intelligence and Machine Learning Tools for Oil and Gas Development and Production*

**Proponent's argument:** The proposal, submitted by As You Sow and co-filers, criticizes Microsoft's use of advanced technologies like AI, ML, and High-Performance Computing to support oil and gas production, which potentially hinders the global transition to low-carbon energy. It highlights that such projects increase greenhouse gas (GHG) emissions and are at odds with the Paris Agreement's 1.5°C target. The proponents argue that Microsoft's activities expose the company to reputational and operational risks, including accusations of greenwashing, potential litigation, and employee dissatisfaction. They cite a Greenpeace report identifying Microsoft as a leading technology contractor for the oil and gas sector and compare its practices unfavorably with Google, which ceased custom AI development for fossil fuel extraction.

**Company's response:** Microsoft's Board recommends voting against the proposal. The company emphasizes its commitment to sustainability and innovation, stating that its collaboration with energy companies drives advancements in low- and zero-carbon technologies. It views its work in the energy sector as contributing to the clean energy transition rather than perpetuating fossil fuel dependence. The Board highlights Microsoft's robust disclosures on sustainability, claiming that these already provide comprehensive insights into the impact of its technologies. It argues that an additional report focused on emissions from specific customer segments is unnecessary and misaligned with current frameworks.

**PIRC analysis:** This proposal raises critical questions about the alignment of Microsoft's technology deployments with its climate commitments. While the company

presents a balanced approach to sustainability, its involvement in fossil fuel projects undermines its leadership in climate stewardship and exposes it to reputational and operational risks. A report detailing these risks would enhance shareholder understanding, increase accountability, and help ensure Microsoft's climate initiatives align with its stated commitments and stakeholder expectations. Support is recommended.

Vote Cast: *For*

Results: For: 9.6, Abstain: 1.1, Oppose/Withhold: 89.3,

## MICROSOFT CORPORATION AGM - 10-12-2024

### 4. *Shareholder Resolution: Report on Risks of Weapons Development*

**Proponents argument:** Harrington Investments, Inc., the proponent, focuses on Microsoft's contract history with the U.S. Department of the Army, particularly the Integrated Visual Augmentation System (IVAS), a technology adapted for military training and combat. The proposal underscores ethical concerns raised by employees in 2019, who objected to their work being used for warfare, stating, "We do not want to become war profiteers". The proponent also highlights criticisms of the IVAS program, such as issues with environmental adaptability and negative physical effects on soldiers, like motion sickness and headaches. Concerns are compounded by reports of the technology appearing in Chinese military applications, raising questions about unintended dual-use risks. The proposal emphasizes the reputational risks for Microsoft being perceived as a weapons developer, particularly given increasing public scrutiny and litigation tied to technology's role in violence.

**Company's response:** The Board recommends a vote against the proposal, citing Microsoft's transparent approach to its military engagements and ethical considerations. The company defends its collaboration with the U.S. military as vital to national security. Microsoft states that it regularly communicates its ethical stance on such issues, both internally and externally. It further argues that the requested third-party report would not provide additional value to shareholders and could imply redundancy, given its existing disclosure practices.

**PIRC analysis:** The company's reliance on current disclosures appears insufficient to address rising public and stakeholder scrutiny. Transparent and comprehensive reporting could mitigate potential harm to Microsoft's reputation and align with shareholder interests in responsible business practices. Enhanced disclosure would provide clarity and reinforce Microsoft's accountability in balancing its technological innovations with ethical implications. Support is recommended.

Vote Cast: *For*

Results: For: 15.1, Abstain: 1.2, Oppose/Withhold: 83.7,

## MICROSOFT CORPORATION AGM - 10-12-2024

### 8. *Shareholder Resolution: Other Social Policy Issues*

**Proponent's argument:** Arjuna Capital, the proponent, underscores the rapid proliferation of generative AI technologies like Microsoft's integration of OpenAI's ChatGPT, which has demonstrated significant capabilities but also raised concerns. Instances cited include the dissemination of inaccurate election-related information and the use of AI to create deepfake pornography. These examples, according to the proponent, underscore the potential for misuse, reputational harm, and legal liabilities, particularly as governments worldwide begin to regulate AI technologies. The proponent references Microsoft's 2024 Responsible AI Transparency Report, arguing it inadequately addresses the risks of misinformation and disinformation. The proposal calls for comprehensive documentation of Microsoft's mitigation efforts, their effectiveness, and how they align with public safety and trust.

**Company's response:** The Board recommends a vote against the proposal, asserting that Microsoft has already implemented robust measures to address AI misinformation risks. It cites ongoing initiatives such as the Democracy Forward Initiative, partnerships with governments, and its adherence to Responsible AI principles. Microsoft highlights existing public reports, including the Responsible AI Transparency Report and its commitments under the European Code of Practice on Disinformation, as evidence of its comprehensive approach.

**PIRC analysis:** The proposal touches on critical risks associated with the misuse of AI technologies. While Microsoft's existing efforts and disclosures demonstrate leadership in managing misinformation, gaps remain in comprehensively addressing stakeholder concerns and evaluating the broader societal impact of its technologies. Enhanced transparency through the requested report could strengthen stakeholder trust and align with best practices for corporate accountability. A focused report on AI misinformation and disinformation risks would bolster Microsoft's governance and public accountability, addressing both shareholder and societal expectations. Support is recommended.

Vote Cast: *For*

Results: For: 18.4, Abstain: 1.4, Oppose/Withhold: 80.2,

## MICROSOFT CORPORATION AGM - 10-12-2024

### 6. *Shareholder Resolution: Report on Data Operations in Human Rights Hotspots*

**Proponent's argument:** The proposal, submitted by Olga Bell Greenbaum D'Angelo and co-filers, expresses concern over Microsoft's decision to expand its data center operations into countries identified in the U.S. State Department's Human Rights Reports for significant violations. The primary focus is on Saudi Arabia, where internet activities are tightly controlled, surveillance is pervasive, and data privacy is severely compromised under local cybercrime and data protection laws. The proponents criticize Microsoft for failing to disclose evidence of human rights impact assessments (HRIAs) or mitigation strategies, which are expected under the UN Guiding Principles on Business and Human Rights (UNGPs). They argue that such secrecy undermines trust and poses reputational risks. The proposal seeks transparency on the company's due diligence processes, emphasizing the potential risks to stakeholders and local communities if proper oversight is not in place.

**Company's response:** The Board recommends voting against the proposal, stating that Microsoft already adheres to rigorous human rights due diligence practices. The company references its Global Human Rights Statement and the Trusted Cloud Principles, asserting that these guide the ethical operation of data centers. Microsoft highlights its collaboration with third-party human rights experts and mitigation measures such as restricting services or excluding sensitive technologies in high-risk regions. The Board argues that the requested report is unnecessary given Microsoft's existing public disclosures, including details about its human rights review processes and efforts to align with international standards.

**PIRC analysis:** This proposal addresses a critical issue of governance and corporate accountability in human rights hotspots. While Microsoft provides some transparency on its due diligence efforts, the lack of comprehensive disclosures leaves gaps in assessing the adequacy of its human rights strategies. Enhanced reporting would reinforce stakeholder trust and align the company's practices with global human rights norms. The proposed report would provide stakeholders with greater clarity on Microsoft's human rights practices and demonstrate its commitment to ethical operations in challenging environments. Support is recommended.

Vote Cast: *For*

Results: For: 31.7, Abstain: 1.1, Oppose/Withhold: 67.2,

## MICROSOFT CORPORATION AGM - 10-12-2024

### 9. *Shareholder Resolution: Report on AI Data Sourcing Accountability*

**Proponent's argument:** The proposal, submitted by the National Legal and Policy Center, highlights the significant risks tied to data sourcing for generative AI models, including allegations of unethical practices such as scraping personal information without consent and using copyrighted materials. Concerns also extend to Microsoft's partnership with OpenAI, which has faced litigation and criticism for its data sourcing methods. The proponent argues that Microsoft's practices may lead to reputational, fiduciary, and regulatory risks. They emphasize the need for transparency to maintain consumer trust, avoid legal consequences, and uphold ethical standards in AI development.

**Company's response:** Microsoft's Board recommends voting against the proposal, asserting that the company already provides comprehensive disclosures on

data sourcing practices. Microsoft points to resources like transparency notes, model cards, and adherence to global legal standards. The company also commits to enhanced reporting under the forthcoming European Union AI Act in 2025. The Board maintains that these existing measures sufficiently address stakeholder concerns and that the requested report would be redundant. Additionally, Microsoft stresses its efforts to protect user privacy and ensure responsible AI practices through robust internal frameworks.

**PIRC analysis:** This proposal underscores critical issues of accountability and governance in the rapidly evolving field of AI. While Microsoft's disclosures provide a foundation of transparency, gaps remain in assessing the adequacy of safeguards against data misuse and ethical violations. A detailed report would reinforce Microsoft's commitment to responsible AI practices and address growing stakeholder concerns about data ethics. Enhanced reporting would strengthen Microsoft's transparency and mitigate reputational and regulatory risks, aligning with best practices for ethical AI development. Support is recommended.

Vote Cast: *For*

Results: For: 34.7, Abstain: 4.2, Oppose/Withhold: 61.1,

## GENUS PLC AGM - 20-11-2024

### 15. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 10% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such a proposal is not supported. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 76.7, Abstain: 0.3, Oppose/Withhold: 23.0,

## SOFTCAT PLC AGM - 09-12-2024

### 19. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 10% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such a proposal is not supported. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 86.3, Abstain: 0.0, Oppose/Withhold: 13.7,

## HARGREAVES LANSDOWN PLC COURT - 14-10-2024

### 1. *Approve Scheme of Arrangement*

**Introduction & Background:** On 9 August 2024, the HL Independent Directors and the Bidco Board announced that they had reached agreement on the terms and conditions of a recommended final\* cash acquisition of the entire issued and to be issued ordinary share capital of HL by Bidco. Bidco is a newly-formed company indirectly owned by CVC Private Equity Funds, Nordic Capital XI Delta, SCSp (acting through its general partner, Nordic Capital XI Delta GP SARL) and Platinum Ivy B 2018 RSC Limited. Bidco views HL as one of the leading UK investment platforms with an impressive position and a strong purpose in the attractive UK wealth market. HL is expected to benefit from numerous tailwinds over the coming decade, driven by increased individual responsibility for savings, pension freedom, an



aging population, further digitalisation of the wealth process, the increasing importance of data, and AI-led activities. Since it was founded in 1981, HL has built an impressive market position, widespread brand awareness, trusted position, and high customer Net Promoter Scores. HL has a strong brand heritage and is operating in a market where holding one of the leading market positions provides opportunities for relative outperformance, as well as capitalising on scale benefits to improve the client proposition, cost-to-serve and value. Bidco believes that HL is fundamentally well-positioned to maintain, and build on, its market position to deliver growth despite increasing competition and other near-term headwinds. HL has an important purpose; making it easy for the UK consumer to save and invest for a better future. Bidco understands HL has a responsibility to support clients, throughout their savings lifetime, be better in managing their financial wealth and enabling clients to get the right outcomes; regardless of their accessibility needs. Bidco supports the important role HL plays in promoting savings and investing in society and believes that a substantial transformation is required to accelerate the delivery of these objectives for HL's clients.

**Proposal:** Under the terms of the Acquisition, HL Shareholders will be entitled to receive for each HL Share GBP 1,140 pence in cash comprised of: i) cash consideration of GBP 1,110 pence per HL Share and ii) a dividend of GBP 30 pence per HL Share in respect of the Financial Year ended 30 June 2024. As an alternative to the Cash Consideration, eligible HL Shareholders may elect to participate in the Alternative Offer. Scheme Shareholders would otherwise be entitled pursuant to the Cash Offer, eligible HL Shareholders may elect to exchange some or all of their HL Shares for Bidco Loan Notes which will, subject to implementation of the Rollover, ultimately be exchanged for Rollover Securities at a ratio of one Rollover Security for each HL Share.

**Rationale:** the Independent HL Board believes the Cash Offer represents an attractive opportunity for HL Shareholders to realise an immediate and certain cash value today for their investment at a level which may not be achievable until the execution of the strategy is delivered over the medium to longer term, with that execution subject to a wide range of potential outcomes. At GBP 1,140 pence per HL Share, the Cash Offer represents a premium of approximately: i) 54.1% to the Closing Price of GBP 740.0 pence per HL Share on 11 April 2024, ii) 48.5% to the volume-weighted average price of GBP 767.7 pence per HL Share for the three-month period ended 21 May 2024, iii) 51.7% to the volume-weighted average price of GBP 751.5 pence per HL Share for the six-month period ended 21 May 2024 and iv) 22.2% to the Closing Price of GBP 932.8 pence per HL Share on 21 May 2024. In addition, the Independent HL Board notes the Consortium's history of investing in UK and European financial services businesses, including wealth management, and the expertise they bring to help develop HL's client proposition. The Independent HL Board believes that this expertise has the potential to enable an accelerated transformation aligned with HL's strategy to transform the investing experience and create the best savings and investment platform for its clients.

**Recommendation:** Such proposals are considered on the basis of whether they are deemed fair, whether they have been adequately explained, and whether there is sufficient independent oversight of the recommended proposal. No serious corporate governance concerns have been identified. The Company has disclosed sufficient details of the proposal and there is a sufficient balance of independence on the board in order to grant that the proposal received due independent oversight. Support is recommended.

Vote Cast: *For*

Results: For: 86.7, Abstain: 0.0, Oppose/Withhold: 13.3,

## HARGREAVES LANSDOWN PLC AGM - 06-12-2024

### 2. Approve the Remuneration Report

Awards granted to Directors under the Company's variable remuneration schemes are considered excessive as they exceeded 200% of base salary during the year under review. The CEO's salary is below the upper quartile of a peer comparator group. The ratio of CEO pay compared to that of the average employee exceeds the recommended limit of 20:1 and is therefore not considered appropriate.

The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are

employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose*

Results: For: 86.7, Abstain: 0.0, Oppose/Withhold: 13.3,

### 3 Notable Oppose Vote Results With Analysis

Note: Here a notable vote is one where the Oppose result is at least 10%.

#### HARGREAVES LANSDOWN PLC EGM - 14-10-2024

##### 1. *Adopt New Articles of Association and provide the authority for the Board Directors to implement the Scheme*

It is proposed to the shareholders for the purpose of giving effect to the scheme of arrangement dated 6 September 2024 between the Company and the holders of the Scheme Shares. To approve the authority for the Board of Directors to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect and with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the new article 162. This proposal is considered to be a technical item in order to publish a new version of the Articles, including the proposed amendments. Support is recommended.

Vote Cast: *For*

Results: For: 83.9, Abstain: 3.2, Oppose/Withhold: 12.9,

#### HARGREAVES LANSDOWN PLC COURT - 14-10-2024

##### 1. *Approve Scheme of Arrangement*

**Introduction & Background:** On 9 August 2024, the HL Independent Directors and the Bidco Board announced that they had reached agreement on the terms and conditions of a recommended final\* cash acquisition of the entire issued and to be issued ordinary share capital of HL by Bidco. Bidco is a newly-formed company indirectly owned by CVC Private Equity Funds, Nordic Capital XI Delta, SCSp (acting through its general partner, Nordic Capital XI Delta GP SARL) and Platinum Ivy B 2018 RSC Limited. Bidco views HL as one of the leading UK investment platforms with an impressive position and a strong purpose in the attractive UK wealth market. HL is expected to benefit from numerous tailwinds over the coming decade, driven by increased individual responsibility for savings, pension freedom, an aging population, further digitalisation of the wealth process, the increasing importance of data, and AI-led activities. Since it was founded in 1981, HL has built an impressive market position, widespread brand awareness, trusted position, and high customer Net Promoter Scores. HL has a strong brand heritage and is operating in a market where holding one of the leading market positions provides opportunities for relative outperformance, as well as capitalising on scale benefits to improve the client proposition, cost-to-serve and value. Bidco believes that HL is fundamentally well-positioned to maintain, and build on, its market position to deliver growth despite increasing competition and other near-term headwinds. HL has an important purpose; making it easy for the UK consumer to save and invest for a better future. Bidco understands HL has a responsibility to support clients, throughout their savings lifetime, be better in managing their financial wealth and enabling clients to get the right outcomes; regardless of their accessibility needs. Bidco supports the important role HL plays in promoting savings and investing in society and believes that a substantial transformation is required to accelerate the delivery of these objectives for HL's clients.

**Proposal:** Under the terms of the Acquisition, HL Shareholders will be entitled to receive for each HL Share GBP 1,140 pence in cash comprised of: i) cash consideration of GBP 1,110 pence per HL Share and ii) a dividend of GBP 30 pence per HL Share in respect of the Financial Year ended 30 June 2024. As an alternative to the Cash Consideration, eligible HL Shareholders may elect to participate in the Alternative Offer. Scheme Shareholders would otherwise be entitled pursuant to the Cash Offer, eligible HL Shareholders may elect to exchange some or all of their HL Shares for Bidco Loan Notes which will, subject to implementation of the Rollover, ultimately be exchanged for Rollover Securities at a ratio of one Rollover Security for each HL Share.

**Rationale:** the Independent HL Board believes the Cash Offer represents an attractive opportunity for HL Shareholders to realise an immediate and certain cash value today for their investment at a level which may not be achievable until the execution of the strategy is delivered over the medium to longer term, with that execution subject to a wide range of potential outcomes. At GBP 1,140 pence per HL Share, the Cash Offer represents a premium of approximately: i) 54.1% to the Closing Price of GBP 740.0 pence per HL Share on 11 April 2024, ii) 48.5% to the volume-weighted average price of GBP 767.7 pence per HL Share for the three-month period

ended 21 May 2024, iii) 51.7% to the volume-weighted average price of GBP 751.5 pence per HL Share for the six-month period ended 21 May 2024 and iv) 22.2% to the Closing Price of GBP 932.8 pence per HL Share on 21 May 2024. In addition, the Independent HL Board notes the Consortium's history of investing in UK and European financial services businesses, including wealth management, and the expertise they bring to help develop HL's client proposition. The Independent HL Board believes that this expertise has the potential to enable an accelerated transformation aligned with HL's strategy to transform the investing experience and create the best savings and investment platform for its clients.

**Recommendation:** Such proposals are considered on the basis of whether they are deemed fair, whether they have been adequately explained, and whether there is sufficient independent oversight of the recommended proposal. No serious corporate governance concerns have been identified. The Company has disclosed sufficient details of the proposal and there is a sufficient balance of independence on the board in order to grant that the proposal received due independent oversight. Support is recommended.

Vote Cast: *For*

Results: For: 86.7, Abstain: 0.0, Oppose/Withhold: 13.3,

## GENUS PLC AGM - 20-11-2024

### 14. *Issue Shares for Cash*

The authority sought exceeds the recommended 5% maximum of the Company's issued share capital and expires at the next AGM. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 87.7, Abstain: 0.0, Oppose/Withhold: 12.2,

### 15. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 10% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such a proposal is not supported. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 76.7, Abstain: 0.3, Oppose/Withhold: 23.0,

## HARGREAVES LANSDOWN PLC AGM - 06-12-2024

### 2. *Approve the Remuneration Report*

Awards granted to Directors under the Company's variable remuneration schemes are considered excessive as they exceeded 200% of base salary during the year under review. The CEO's salary is below the upper quartile of a peer comparator group. The ratio of CEO pay compared to that of the average employee exceeds the recommended limit of 20:1 and is therefore not considered appropriate.

The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose*

Results: For: 86.7, Abstain: 0.0, Oppose/Withhold: 13.3,

## SOFTCAT PLC AGM - 09-12-2024

### 19. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 10% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such a proposal is not supported. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 86.3, Abstain: 0.0, Oppose/Withhold: 13.7,

## MICROSOFT CORPORATION AGM - 10-12-2024

### 4. *Shareholder Resolution: Report on Risks of Weapons Development*

**Proponents argument:** Harrington Investments, Inc., the proponent, focuses on Microsoft's contract history with the U.S. Department of the Army, particularly the Integrated Visual Augmentation System (IVAS), a technology adapted for military training and combat. The proposal underscores ethical concerns raised by employees in 2019, who objected to their work being used for warfare, stating, "We do not want to become war profiteers". The proponent also highlights criticisms of the IVAS program, such as issues with environmental adaptability and negative physical effects on soldiers, like motion sickness and headaches. Concerns are compounded by reports of the technology appearing in Chinese military applications, raising questions about unintended dual-use risks. The proposal emphasizes the reputational risks for Microsoft being perceived as a weapons developer, particularly given increasing public scrutiny and litigation tied to technology's role in violence.

**Company's response:** The Board recommends a vote against the proposal, citing Microsoft's transparent approach to its military engagements and ethical considerations. The company defends its collaboration with the U.S. military as vital to national security. Microsoft states that it regularly communicates its ethical stance on such issues, both internally and externally. It further argues that the requested third-party report would not provide additional value to shareholders and could imply redundancy, given its existing disclosure practices.

**PIRC analysis:** The company's reliance on current disclosures appears insufficient to address rising public and stakeholder scrutiny. Transparent and comprehensive reporting could mitigate potential harm to Microsoft's reputation and align with shareholder interests in responsible business practices. Enhanced disclosure would provide clarity and reinforce Microsoft's accountability in balancing its technological innovations with ethical implications. Support is recommended.

Vote Cast: *For*

Results: For: 15.1, Abstain: 1.2, Oppose/Withhold: 83.7,

### 5. *Shareholder Resolution: Assessment of Investing in Bitcoin*

**Proponent's argument:** The proponent, the National Center for Public Policy Research, argues that effective asset management is vital to maintain shareholder value during inflationary periods. They highlight Bitcoin's strong historical performance, stating that over the past five years, Bitcoin has outperformed corporate bonds by approximately 411%. The proposal notes that MicroStrategy, a tech company holding Bitcoin, saw its stock outperform Microsoft by 313% over the past year, despite its smaller scale. The proponent contends that Bitcoin is an excellent hedge against inflation, suggesting even a minimal allocation of 1% of Microsoft's assets to Bitcoin could benefit shareholders. They urge Microsoft to evaluate Bitcoin alongside traditional financial instruments to diversify risk and safeguard against inflation.

**Company's response:** The Board opposes the proposal, stating that Microsoft's Global Treasury and Investment Services team already evaluates diverse asset

classes, including Bitcoin, for treasury management. They emphasize that the team prioritizes stable and predictable investments to ensure liquidity and operational funding. The Board also underscores that Bitcoin's volatility makes it unsuitable for corporate treasury use, which requires predictable assets to support business operations. Microsoft asserts that the requested public assessment is unnecessary due to existing practices, as the company continuously monitors cryptocurrency trends and developments to inform decision-making.

**PIRC analysis:** This proposal raises a valid point about the need for strategic asset management in inflationary environments. However, Bitcoin's high volatility and speculative nature could conflict with the stability required for corporate treasury management. While the assessment could promote transparency, it may not align with Microsoft's financial strategy or shareholder interests. While the concept of diversification is important, the high-risk profile of Bitcoin makes this proposal less compelling in terms of financial stability. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 0.5, Abstain: 0.4, Oppose/Withhold: 99.0,

#### 6. *Shareholder Resolution: Report on Data Operations in Human Rights Hotspots*

**Proponent's argument:** The proposal, submitted by Olga Bell Greenbaum D'Angelo and co-filers, expresses concern over Microsoft's decision to expand its data center operations into countries identified in the U.S. State Department's Human Rights Reports for significant violations. The primary focus is on Saudi Arabia, where internet activities are tightly controlled, surveillance is pervasive, and data privacy is severely compromised under local cybercrime and data protection laws. The proponents criticize Microsoft for failing to disclose evidence of human rights impact assessments (HRIAs) or mitigation strategies, which are expected under the UN Guiding Principles on Business and Human Rights (UNGPs). They argue that such secrecy undermines trust and poses reputational risks. The proposal seeks transparency on the company's due diligence processes, emphasizing the potential risks to stakeholders and local communities if proper oversight is not in place.

**Company's response:** The Board recommends voting against the proposal, stating that Microsoft already adheres to rigorous human rights due diligence practices. The company references its Global Human Rights Statement and the Trusted Cloud Principles, asserting that these guide the ethical operation of data centers. Microsoft highlights its collaboration with third-party human rights experts and mitigation measures such as restricting services or excluding sensitive technologies in high-risk regions. The Board argues that the requested report is unnecessary given Microsoft's existing public disclosures, including details about its human rights review processes and efforts to align with international standards.

**PIRC analysis:** This proposal addresses a critical issue of governance and corporate accountability in human rights hotspots. While Microsoft provides some transparency on its due diligence efforts, the lack of comprehensive disclosures leaves gaps in assessing the adequacy of its human rights strategies. Enhanced reporting would reinforce stakeholder trust and align the company's practices with global human rights norms. The proposed report would provide stakeholders with greater clarity on Microsoft's human rights practices and demonstrate its commitment to ethical operations in challenging environments. Support is recommended.

Vote Cast: *For*

Results: For: 31.7, Abstain: 1.1, Oppose/Withhold: 67.2,

#### 7. *Shareholder Resolution: Report on Artificial Intelligence and Machine Learning Tools for Oil and Gas Development and Production*

**Proponent's argument:** The proposal, submitted by As You Sow and co-filers, criticizes Microsoft's use of advanced technologies like AI, ML, and High-Performance Computing to support oil and gas production, which potentially hinders the global transition to low-carbon energy. It highlights that such projects increase greenhouse gas (GHG) emissions and are at odds with the Paris Agreement's 1.5°C target. The proponents argue that Microsoft's activities expose the company to reputational and operational risks, including accusations of greenwashing, potential litigation, and employee dissatisfaction. They cite a Greenpeace report identifying Microsoft as a leading technology contractor for the oil and gas sector and compare its practices unfavorably with Google, which ceased custom AI development for fossil fuel extraction.

**Company's response:** Microsoft's Board recommends voting against the proposal. The company emphasizes its commitment to sustainability and innovation, stating that its collaboration with energy companies drives advancements in low- and zero-carbon technologies. It views its work in the energy sector as contributing to the clean energy transition rather than perpetuating fossil fuel dependence. The Board highlights Microsoft's robust disclosures on sustainability, claiming that these



already provide comprehensive insights into the impact of its technologies. It argues that an additional report focused on emissions from specific customer segments is unnecessary and misaligned with current frameworks.

**PIRC analysis:** This proposal raises critical questions about the alignment of Microsoft's technology deployments with its climate commitments. While the company presents a balanced approach to sustainability, its involvement in fossil fuel projects undermines its leadership in climate stewardship and exposes it to reputational and operational risks. A report detailing these risks would enhance shareholder understanding, increase accountability, and help ensure Microsoft's climate initiatives align with its stated commitments and stakeholder expectations. Support is recommended.

Vote Cast: *For*

Results: For: 9.6, Abstain: 1.1, Oppose/Withhold: 89.3,

#### *8. Shareholder Resolution: Other Social Policy Issues*

**Proponent's argument:** Arjuna Capital, the proponent, underscores the rapid proliferation of generative AI technologies like Microsoft's integration of OpenAI's ChatGPT, which has demonstrated significant capabilities but also raised concerns. Instances cited include the dissemination of inaccurate election-related information and the use of AI to create deepfake pornography. These examples, according to the proponent, underscore the potential for misuse, reputational harm, and legal liabilities, particularly as governments worldwide begin to regulate AI technologies. The proponent references Microsoft's 2024 Responsible AI Transparency Report, arguing it inadequately addresses the risks of misinformation and disinformation. The proposal calls for comprehensive documentation of Microsoft's mitigation efforts, their effectiveness, and how they align with public safety and trust.

**Company's response:** The Board recommends a vote against the proposal, asserting that Microsoft has already implemented robust measures to address AI misinformation risks. It cites ongoing initiatives such as the Democracy Forward Initiative, partnerships with governments, and its adherence to Responsible AI principles. Microsoft highlights existing public reports, including the Responsible AI Transparency Report and its commitments under the European Code of Practice on Disinformation, as evidence of its comprehensive approach.

**PIRC analysis:** The proposal touches on critical risks associated with the misuse of AI technologies. While Microsoft's existing efforts and disclosures demonstrate leadership in managing misinformation, gaps remain in comprehensively addressing stakeholder concerns and evaluating the broader societal impact of its technologies. Enhanced transparency through the requested report could strengthen stakeholder trust and align with best practices for corporate accountability. A focused report on AI misinformation and disinformation risks would bolster Microsoft's governance and public accountability, addressing both shareholder and societal expectations. Support is recommended.

Vote Cast: *For*

Results: For: 18.4, Abstain: 1.4, Oppose/Withhold: 80.2,

#### *9. Shareholder Resolution: Report on AI Data Sourcing Accountability*

**Proponent's argument:** The proposal, submitted by the National Legal and Policy Center, highlights the significant risks tied to data sourcing for generative AI models, including allegations of unethical practices such as scraping personal information without consent and using copyrighted materials. Concerns also extend to Microsoft's partnership with OpenAI, which has faced litigation and criticism for its data sourcing methods. The proponent argues that Microsoft's practices may lead to reputational, fiduciary, and regulatory risks. They emphasize the need for transparency to maintain consumer trust, avoid legal consequences, and uphold ethical standards in AI development.

**Company's response:** Microsoft's Board recommends voting against the proposal, asserting that the company already provides comprehensive disclosures on data sourcing practices. Microsoft points to resources like transparency notes, model cards, and adherence to global legal standards. The company also commits to enhanced reporting under the forthcoming European Union AI Act in 2025. The Board maintains that these existing measures sufficiently address stakeholder concerns and that the requested report would be redundant. Additionally, Microsoft stresses its efforts to protect user privacy and ensure responsible AI practices through robust internal frameworks.

**PIRC analysis:** This proposal underscores critical issues of accountability and governance in the rapidly evolving field of AI. While Microsoft's disclosures provide

a foundation of transparency, gaps remain in assessing the adequacy of safeguards against data misuse and ethical violations. A detailed report would reinforce Microsoft's commitment to responsible AI practices and address growing stakeholder concerns about data ethics. Enhanced reporting would strengthen Microsoft's transparency and mitigate reputational and regulatory risks, aligning with best practices for ethical AI development. Support is recommended.

Vote Cast: *For*

Results: For: 34.7, Abstain: 4.2, Oppose/Withhold: 61.1,



## 4 Oppose/Abstain Votes With Analysis

### CREO MEDICAL GROUP PLC EGM - 18-10-2024

#### *2. Issue Shares for Cash in connection with the Fundraising*

**Introduction & Background:** On 18 September 2024, the Company announced that it had entered into a binding agreement with Micro-Tech (NL) International B.V., a wholly owned subsidiary of Micro-Tech, for the sale of 51% of the issued share capital of Creo Europe, a wholly owned subsidiary of Creo, at an equity value of EUR 72 million on a cash-free, debt-free basis (the Sale). The net proceeds payable to Creo from the Sale are expected to be approximately EUR 30m and will be payable on completion. The Directors expect that the Company's cash at the 31 December 2024, excluding the net proceeds of the Fundraising, will be approximately GBP 2.5 million. This is predominantly due to the following reasons: i) Kamaptive revenue, ii) R&D Tax Credits and iii) Growth in core Creo products. The Company continues to proactively manage its cost base and is taking steps to reduce it by a further GBP 5 million as a result of: completing the current robotic prototype work, increasing the proportion of outsourced development and a reduction in the general and administrative costs associated with Creo Europe following its deconsolidation post completion of the Sale. On 30 September 2024, the Company proposes to raise, subject to certain conditions, up to GBP 17.0 million (before expenses) by the conditional Placing of 50,000,000 new Ordinary Shares and Retail Offer of up to 20,833,333 new Ordinary Shares, both at the Issue Price of GBP 24 pence per share to certain institutional and other investors. The Fundraising comprises: A Placing pursuant to which 50,000,000 Placing Shares have been conditionally committed at the Issue Price to raise GBP 12.0 million and A Retail Offer pursuant to which Retail Shareholders are being given the opportunity to participate in the proposed Fundraising at the same Issue Price. The Retail Offer is being conducted via the Bookbuild Platform. The Retail Offer will raise a maximum of GBP 5.0 million through the issue of the Retail Offer Shares.

**Proposal:** It is proposed to the shareholders to authorise the Directors to allot equity securities for cash on a non-pre-emptive basis up to an aggregate nominal amount of GBP 43,261.32.

**Rationale:** In light of the above, and assuming completion of the Sale, the deconsolidation of Creo Europe and based on its expectation of current core Creo sales growth, the Board now expects the Company to achieve EBITDA breakeven in 2028 and that following completion of the proposed Placing and including receipt of the Sale proceeds, the Company will have cash resources in excess of GBP 40 million and be sufficiently well-funded to reach profitability. The Company intends to use the net proceeds of the Fundraising to: i) strengthen the Company's balance sheet, ii) mitigate against the risk that the completion of the Sale is delayed, or does not happen, either due to necessary approvals not being forthcoming or from other geo-political risks as well as to address the funding requirement identified within the Company's FY23 results in May 2024 and iii) support the Company's growth strategy by facilitating additional clinical data to support ongoing commercial and reimbursement discussions.

**Recommendation:** Such proposals are considered on the basis of whether they are deemed fair, whether they have been adequately explained, and whether there is sufficient independent oversight of the recommended proposal. No serious corporate governance concerns have been identified. The Company has disclosed sufficient details of the transaction and there is a sufficient balance of independence on the board in order to grant that the proposal received due independent oversight. However, the authority sought exceeds the recommended 5% maximum of the Company's issued share capital. Therefore, an oppose vote is recommended.

*Vote Cast: Oppose*

### THE TRADE DESK INC EGM - 14-11-2024

#### *2. Allow Proxy Solicitation*

The board requests authority to adjourn the special meeting until a later date or dates, if necessary, in order to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger. An oppose vote is recommended to any adjournment or postponement of meetings if a

sufficient number of votes are present to constitute a quorum. It is considered that where a quorum is present, the vote outcome should be considered representative of shareholder opinion.

*Vote Cast: Oppose*

## **GENUS PLC AGM - 20-11-2024**

### *1. Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

*Vote Cast: Abstain*

*Results: For: 98.3, Abstain: 1.5, Oppose/Withhold: 0.1,*

### *2. Approve the Remuneration Report*

Dividend accrual has been separately categorised which is welcome. Awards granted to Directors under the Company's variable remuneration schemes are considered excessive as they exceeded 200% of base salary during the year under review. The CEO's salary is below the upper quartile of a peer comparator group. The total combined variable reward paid during the year falls below the 200% recommended threshold and is therefore not considered to be overly excessive. The ratio of CEO pay compared to that of the average employee exceeds the recommended limit of 20:1 and is therefore not considered appropriate.

The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

*Vote Cast: Oppose*

*Results: For: 90.8, Abstain: 4.9, Oppose/Withhold: 4.3,*

### *5. Re-elect Jorgen Kokke - Chief Executive*

Chief Executive and Chair of the Sustainability Committee. As the Chief Executive is the Chair of the Sustainability Committee, he is considered accountable for the Company's sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 98.5, Abstain: 1.5, Oppose/Withhold: 0.0,*

### *6. Re-elect Iain Ferguson - Chair (Non Executive)*

Independent Non-Executive Chair of the Board and Chair of the Nomination Committee. The Chair is also chairing another company within the FTSE 350 index. It

is considered that a chair cannot effectively represent two corporate cultures. The possibility of having to commit additional time to the role in times of crisis is ever present. Given this, a Chair should focus his attention onto the only one FTSE 350 Company.

Vote Cast: *Oppose*

Results: For: 87.5, Abstain: 4.4, Oppose/Withhold: 8.1,

#### 9. *Re-elect Lesley Knox - Senior Independent Director*

Senior Independent Director and Chair of the Remuneration Committee. Considered independent. There are serious concerns regarding the remuneration policy, and implementation of remuneration at the company and it is considered that chair of the remuneration committee should be held accountable for it when considering re-election. It is also considered that the Chair of the Remuneration Committee is responsible for the company's remuneration report, and owing to concerns with this, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.0, Oppose/Withhold: 2.2,

#### 11. *Appoint PwC as the new Auditors of the Company.*

PwC proposed as new auditor. Auditor rotation is considered a positive factor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.0, Oppose/Withhold: 1.6,

#### 14. *Issue Shares for Cash*

The authority sought exceeds the recommended 5% maximum of the Company's issued share capital and expires at the next AGM. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 87.7, Abstain: 0.0, Oppose/Withhold: 12.2,

#### 15. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 10% of the Company's issued share capital for cash for use only in connection with an acquisition or a

specified capital investment. Such a proposal is not supported. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 76.7, Abstain: 0.3, Oppose/Withhold: 23.0,

#### 16. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.0, Oppose/Withhold: 1.5,

### RENISHAW PLC AGM - 27-11-2024

#### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

Vote Cast: *Abstain*

Results: For: 96.5, Abstain: 2.2, Oppose/Withhold: 1.3,

#### 3. *Approve Increase in Non-executives Fees*

It is proposed to the shareholders to approve the increase of the maximum fees that may be paid to Directors under article 93 of the Company's articles of association from GBP 750,000 to GBP 1,250,000 per annum in aggregate. The proposed increase is of 66.6%, the previous increase was in 2022 which is an annual increase for the years 2022-2024 of 22.2% which is above the recommended limit of 10%. Therefore, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,

#### 5. *Re-elect Sir David McMurtry - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. Therefore, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.6, Abstain: 0.0, Oppose/Withhold: 5.4,

#### 6. *Re-elect John Deer - Vice Chair (Non Executive)*

Non-Executive Vice Chair. Not considered independent owing to a tenure of over nine years. In addition, with Sir David McMurtry are the founder and controlling shareholder of the Company. There is insufficient independent representation on the Board. Therefore, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.6, Abstain: 0.0, Oppose/Withhold: 5.4,

#### 7. *Re-elect William Lee - Chief Executive*

Chief Executive and Chair of the Sustainability Committee. As the Chair of the Sustainability Committee, he is considered accountable for the Company's sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.8, Abstain: 0.7, Oppose/Withhold: 0.5,

#### 10. *Re-elect Sir David Grant - Chair (Non Executive)*

Interim Non-Executive Chair of the Board and Chair of the Nomination Committee. The Interim Chair is not considered to be independent as owing to a tenure of over nine years. It is a generally accepted norm of good practice that a Chair of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Being a non-independent Chair is considered to be incompatible with this. In terms of best practice, it is considered that the Nomination Committee should be comprised exclusively of independent members, including the chair.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Overall, opposition is recommended

Vote Cast: *Oppose*

Results: For: 92.1, Abstain: 0.7, Oppose/Withhold: 7.2,

#### 14. *Elect Richard McMurtry - Non-Executive Director*

Non-Executive Director. Not considered independent as he is relative of Sir David McMurtry the founder and a major shareholder of the Company. There is insufficient independent representation on the Board. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.0, Abstain: 0.0, Oppose/Withhold: 3.0,

#### 15. *Re-appoint Ernst & Young LLP as auditor of the Company*

EY proposed. No non-audit fees were paid for the year under review and non-audit fees represents 0.79% of the audit fees on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state.

PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.1, Oppose/Withhold: 0.8,

### 17. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.9, Abstain: 0.0, Oppose/Withhold: 2.1,

## **KWEICHOW MOUTAI CO LTD EGM - 27-11-2024**

### 1.. *Approve the Dividend Policy*

At this time, the Company has not made available the dividend policy. Opposition is recommended as this is considered a serious reporting omission.

Vote Cast: *Oppose*

### 3.1.. *Authorise Plan For the Share Repurchase Using Centralized Bidding: Objective of The Share Repurchase*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. It is recommended not to support the proposal.

Vote Cast: *Oppose*

### 3.2.. *Authorise Plan For the Share Repurchase Using Centralized Bidding: Type of Shares to be Repurchased*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. It is recommended not to support the proposal.

Vote Cast: *Oppose*

### 3.3.. *Authorise Plan For the Share Repurchase Using Centralized Bidding: Method of the Share Repurchase*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. It is recommended not to support the proposal.

Vote Cast: *Oppose*

#### *3.4.. Authorise Plan For the Share Repurchase Using Centralized Bidding: Time Limit of the Share Repurchase*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. It is recommended not to support the proposal.

Vote Cast: *Oppose*

#### *3.5.. Authorise Plan For the Share Repurchase Using Centralized Bidding: Purpose, Number and Percentage to the Total Capital of Shares to be Repurchased and Total Amount of Funds*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. It is recommended not to support the proposal.

Vote Cast: *Oppose*

#### *3.6.. Authorise Plan For the Share Repurchase Using Centralized Bidding: Price of the Shares to be Repurchased*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. It is recommended not to support the proposal.

Vote Cast: *Oppose*

#### *3.7.. Authorise Plan For the Share Repurchase Using Centralized Bidding: Source of the Funds to be Used for the Share Repurchase*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. It is recommended not to support the proposal.

Vote Cast: *Oppose*

#### *3.8.. Plan for the Share Repurchase by Means of Centralized Bidding: Arrangement for Share Cancellation in Accordance with Laws after Share Repurchase*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. It is recommended not to support the proposal.

Vote Cast: *Oppose*

#### *3.9.. Plan for the Share Repurchase by Means of Centralized Bidding: Specific Authorization to Handle the Share Repurchase*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. It is recommended not to support the proposal.

Vote Cast: *Oppose*

#### *4.. Adjustment of the Construction Scale and Total Investment Amount of a Project*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. It is recommended not to support the proposal.

Vote Cast: *Oppose*

#### *5.. Election of Supervisor*

The biographical information disclosed on this candidate is considered to be insufficient. Regardless of the level of independence on the Board, this is considered a serious lack of information. Opposition is recommended.



Vote Cast: *Oppose*

## HARGREAVES LANSDOWN PLC AGM - 06-12-2024

### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

Vote Cast: *Abstain*

Results: For: 97.7, Abstain: 2.3, Oppose/Withhold: 0.1,

### 2. *Approve the Remuneration Report*

Awards granted to Directors under the Company's variable remuneration schemes are considered excessive as they exceeded 200% of base salary during the year under review. The CEO's salary is below the upper quartile of a peer comparator group. The ratio of CEO pay compared to that of the average employee exceeds the recommended limit of 20:1 and is therefore not considered appropriate.

The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose*

Results: For: 86.7, Abstain: 0.0, Oppose/Withhold: 13.3,

### 3. *Re-appointment of PricewaterhouseCoopers LLP as auditor of the Company.*

PwC proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being



dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 0.0, Oppose/Withhold: 4.7,

#### 5. *Elect Alison Platt - Chair (Non Executive)*

Independent Non-Executive Chair of the Board and Chair of the Nomination Committee. As the Company do not have a Board level Sustainability Committee, the Chair of the Board is considered accountable for the Company's sustainability programme. As the Company's sustainability policies and practice are not considered adequate to minimise the material risks linked to sustainability an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 96.9, Abstain: 2.0, Oppose/Withhold: 1.0,

#### 13. *Re-elect Michael Morley - Non-Executive Director*

Independent non-executive director and Chair of the Remuneration Committee. There are serious concerns regarding the implementation of remuneration at the company and it is considered that chair of the remuneration committee should be held accountable for it when considering re-election.

Vote Cast: *Oppose*

Results: For: 92.9, Abstain: 0.0, Oppose/Withhold: 7.1,

#### 14. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.0, Oppose/Withhold: 2.2,

## SOFTCAT PLC AGM - 09-12-2024

### 2. *Approve the Remuneration Report*

Awards granted to Directors under the Company's variable remuneration schemes are considered within guidelines as they were within 200% of the base salary during the year under review. The CEO's salary is in the upper quartile of a peer comparator group. This raises concerns over potential excessiveness of the variable incentive schemes currently in operation, as the base salary determines the overall quantum of the remuneration structure. The ratio of CEO pay compared to that of the average employee falls within the recommended limit of 20:1 and is therefore considered acceptable.

The expectations for pay schemes for approval for general meetings are: a going rate true market salary, director service contracts approved by vote, a single profit pool to be distributed company wide, exceptional bonuses only and no long-term incentive plans (LTIPs). Executives who are directors have unlimited liability, fiduciary duties and Companies Act s172 and contractual duties. The delivery of objectives covered by these duties should not be additionally rewarded with bonuses or LTIPs but considered part of the job. It is believed that the fallacy of 'alignment' with shareholders needs to be retired. Not only do schemes not align, but executives are employees of the company with duties to it. The duties including the new s172 duties should already set the alignment. It is incongruous to use pay schemes as a vehicle for alternative means of 'alignment' which can actually create a competing set of director 'duties'.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.0, Oppose/Withhold: 1.6,

### 12. *Re-appoint Ernst & Young as the Auditors of the Company*

EY proposed. Non-audit fees represented 5.93% of audit fees during the year under review and 5.85% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, *Fraud and Going Concern* and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 0.0, Oppose/Withhold: 3.2,

### 15. *Approve the Softcat plc Long Term Incentive Plan 2024*

The LTIP is a discretionary share plan of Softcat plc (the "Company") which permits the grant of share awards to eligible employees over ordinary shares of the Company ("Ordinary Shares"). Awards may comprise options over Ordinary Shares, conditional rights to acquire Ordinary Shares and restricted Ordinary Shares (collectively, "LTIP Awards"), in each case without payment. LTIP Awards may be granted by the board of the Company (the "Board"), the trustee of an employee benefit trust established by a group company or a duly authorised person (the "Grantor"). References to the Board in this Appendix 1 includes any designated committee of the Board. All employees (including Executive Directors) of the Company's group are eligible for selection to participate in the LTIP at the discretion of the Grantor, provided that (unless the Board determines otherwise) they have not given or received notice of termination.

LTIP schemes are not considered an effective means of incentivising performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 99.5, Abstain: 0.0, Oppose/Withhold: 0.5,

### 18. *Issue Shares for Cash*

The authority sought exceeds the recommended 5% maximum of the Company's issued share capital and expires at the next AGM. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 90.9, Abstain: 0.0, Oppose/Withhold: 9.1,

#### 19. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

The Board is seeking approval to issue up to an additional 10% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such a proposal is not supported. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 86.3, Abstain: 0.0, Oppose/Withhold: 13.7,

#### 20. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 0.0, Oppose/Withhold: 2.3,

#### 5. *Re-elect Graeme Watt - Chair (Non Executive)*

Non-Executive Chair of the Board and member of the Nomination Committee. The Chair is not considered to be independent as he was previously employed by the Company as Chief Executive Officer from April 2018 to 31 July 2023. It is a generally accepted norm of good practice that a Chair of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Being a non-independent Chair is considered to be incompatible with this. In terms of best practice, it is also considered that the Nomination Committee should be comprised exclusively of independent members. The Chair also received significant opposition of 13.81% at last year's AGM, and the Company has not released a statement on how they addressed this matter with shareholders. Regardless of the independent representation on the Board as a whole, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.7, Abstain: 0.0, Oppose/Withhold: 3.3,

### MICROSOFT CORPORATION AGM - 10-12-2024

#### 5. *Shareholder Resolution: Assessment of Investing in Bitcoin*

**Proponent's argument:** The proponent, the National Center for Public Policy Research, argues that effective asset management is vital to maintain shareholder value during inflationary periods. They highlight Bitcoin's strong historical performance, stating that over the past five years, Bitcoin has outperformed corporate bonds by approximately 411%. The proposal notes that MicroStrategy, a tech company holding Bitcoin, saw its stock outperform Microsoft by 313% over the past year, despite its smaller scale. The proponent contends that Bitcoin is an excellent hedge against inflation, suggesting even a minimal allocation of 1% of Microsoft's assets to Bitcoin could benefit shareholders. They urge Microsoft to evaluate Bitcoin alongside traditional financial instruments to diversify risk and safeguard against inflation.

**Company's response:** The Board opposes the proposal, stating that Microsoft's Global Treasury and Investment Services team already evaluates diverse asset classes, including Bitcoin, for treasury management. They emphasize that the team prioritizes stable and predictable investments to ensure liquidity and operational funding. The Board also underscores that Bitcoin's volatility makes it unsuitable for corporate treasury use, which requires predictable assets to support business operations. Microsoft asserts that the requested public assessment is unnecessary due to existing practices, as the company continuously monitors cryptocurrency trends and developments to inform decision-making.

**PIRC analysis:** This proposal raises a valid point about the need for strategic asset management in inflationary environments. However, Bitcoin's high volatility and speculative nature could conflict with the stability required for corporate treasury management. While the assessment could promote transparency, it may not align with Microsoft's financial strategy or shareholder interests. While the concept of diversification is important, the high-risk profile of Bitcoin makes this proposal less compelling in terms of financial stability. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 0.5, Abstain: 0.4, Oppose/Withhold: 99.0,

#### 1.06. *Elect Satya Nadella - Chair & Chief Executive*

Chair and CEO. Combined roles at the head of the Company. There should be a clear division of responsibilities at the head of the Company between the running of the board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal.

The articles of association include provisions allowing for the convening of virtual-only meetings. The decision to remove the ability for shareholders to attend meetings in person is significant and could potentially limit shareholder engagement and transparency. Virtual-only meetings may restrict the ability of shareholders to effectively participate, ask questions, and engage with company management and the board. Shareholders should carefully consider the implications of such amendments and advocate for practices that uphold shareholder rights and promote transparency in corporate governance. We welcome the possibility of hybrid meetings as a way to increase participation and transparency, however virtual-only meetings should not be used lightly and should be restricted only to cases where in-person attendance is impossible due to public health crisis or natural disasters. Without a clear justification, we recommend opposing the Chair of the Board.

Vote Cast: *Oppose*

Results: For: 93.8, Abstain: 0.5, Oppose/Withhold: 5.6,

#### 1.07. *Elect Sandra E. Peterson - Lead Director*

Lead Director and Chair of the Governance and Nominating Committee and member of the Compensation Committee. Not considered independent owing to a tenure of over nine years. It is considered that a Senior Independent Director should be independent, in order to fulfil the responsibilities assigned to that role, irrespective of the level of independence of the Board.

In terms of best practice, it is considered that the Governance and Nominating and Compensation Committees should be comprised exclusively of independent members, including the chair.

At this time, individual attendance record at board and committee meetings is not disclosed. This prevents shareholders from making an informed assessment on the fulfilment of fiduciary duties and the time that directors commit to the company. It is considered that the chair of nomination committee be responsible for inaction in terms of lack of disclosure. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.2, Oppose/Withhold: 1.9,

#### 1.08. *Elect Penny Pritzker - Non-Executive Director*

Non-Executive Director and Chair of the Environmental, Social, and Public Policy Committee. As the Chair of the Environmental, Social, and Public Policy Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice.

During the year under review, there have been allegations over the company's labour practices. While no wrongdoing has been identified at this time, there are concerns about how potentially failing to meet expectations in labour management could impact the company's ability to retain or attract talents, as well as its reputation. It is considered that the company should not rely on compliance with law as a minimum, but aiming at best practice.

Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.4, Abstain: 0.2, Oppose/Withhold: 0.4,

### 1.02. *Elect Hugh Johnston - Non-Executive Director*

Non-Executive Director and Chair of the Audit Committee.

At the company, the Audit Committee does not oversee the whistle-blowing hotline. This may increase the risk of such issues not being followed up or escalated which may mean the issue is concealed. On this basis, and on the potential unforeseeable consequences for the company, opposition is recommended to the re-election of the chair of the audit committee, who is considered to be accountable for the concerns with the whistle-blowing reporting structure.

There are concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year. Owing to these reasons, opposition is recommended to the election of the Chair of the Audit Committee.

Vote Cast: *Oppose*

Results: For: 91.7, Abstain: 0.2, Oppose/Withhold: 8.1,

### 1.03. *Elect Teri L. List - Non-Executive Director*

Non-Executive Director and member of the Audit and Governance and Nominating Committees. Not considered independent owing to a tenure of over nine years. It is considered that the Audit and Governance and Nominating Committees should be comprised exclusively of independent members. Regardless of the independent representation on the Board as a whole, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.2, Oppose/Withhold: 1.3,

## 2. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ADB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 90.9, Abstain: 0.4, Oppose/Withhold: 8.6,

## 3. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 11.27% of audit fees during the year under review and 10.99% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 94.2, Abstain: 0.2, Oppose/Withhold: 5.7,

### 1.09. *Elect Carlos Rodriguez - Non-Executive Director*

Non-Executive Director and Chair of the Compensation Committee and member of the Audit Committee. It is considered that the Chair of the Compensation Committee is responsible for the company's executive compensation, and owing to concerns with the company's executive compensation, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.2, Oppose/Withhold: 1.8,

**1.10. *Elect Charles W. Scharf - Non-Executive Director***

Non-Executive Director and Member of the Compensation and Governance and Nominating Committees. Not considered independent owing to a tenure of over nine years. In terms of best practice, it is considered that Compensation and Governance and Nominating Committees should be comprised exclusively of independent members. Regardless of the independent representation on the Board as a whole, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.2, Oppose/Withhold: 1.7,

**1.11. *Elect John W. Stanton - Non-Executive Director***

Non-Executive Director and member of the Audit and Environmental, Social, and Public Policy Committees. Not considered independent owing to a tenure of over nine years. It is considered that the Audit Committee should be comprised exclusively of independent members. Regardless of the independent representation on the Board as a whole, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.2, Oppose/Withhold: 0.6,

**ATLASSIAN CORPORATION AGM - 11-12-2024****1j. *Elect Richard P. Wong - Non-Executive Director***

Non-Executive Director and Chair of the Nominating and Corporate Governance Committee. Not considered independent owing to a tenure of over nine years. It is considered that the Nominating and Corporate Governance Committee should be comprised exclusively of independent members, including the chair. Additionally, at this time, individual attendance records at board and committee meetings are not disclosed. This prevents shareholders from making an informed assessment on the fulfilment of fiduciary duties and the time that directors commit to the company. It is considered that the Chair of the Nominating and Corporate Governance Committee is responsible for inaction in terms of lack of disclosure.

Moreover, regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Opposition is recommended.

Vote Cast: *Oppose*

**1b. *Elect Shona Brown - Chair (Non Executive)***

Non-Executive Chair of the Board and member of the Compensation Committee. The Chair is not considered to be independent as she has a tenure of over nine years. It is a generally accepted norm of good practice that a Chair of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Being a non-independent Chair is considered to be incompatible with this. In terms of best practice, it is also considered that the Compensation Committee should be comprised exclusively of independent members.

In addition, the articles of association include provisions allowing for the convening of virtual-only meetings. The decision to remove the ability for shareholders to attend meetings in person is significant and could potentially limit shareholder engagement and transparency. Virtual-only meetings may restrict the ability of shareholders to effectively participate, ask questions, and engage with company management and the board. Shareholders should carefully consider the implications of such amendments and advocate for practices that uphold shareholder rights and promote transparency in corporate governance. We welcome the possibility of hybrid

meetings as a way to increase participation and transparency, however virtual-only meetings should not be used lightly and should be restricted only to cases where in-person attendance is impossible due to public health crisis or natural disasters. Without a clear justification, and among other concerns, we recommend opposing the Chair of the Board.

*Vote Cast: Oppose*

*1d. Elect Scott Farquhar - Non-Executive Director*

Non-Executive Director. Not considered independent as he was previously Co-CEO, and owns half of the Company's Class B stock and a majority of the voting rights. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*1e. Elect Heather M. Fernandez - Non-Executive Director*

Non-Executive Director and member of the Audit Committee and the Nominating and Corporate Governance Committee. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. In terms of best practice, it is also considered that the Audit Committee and the Nominating and Corporate Governance Committee should be comprised exclusively of independent members. Opposition is recommended.

*Vote Cast: Oppose*

*1g. Elect Jay Parikh - Non-Executive Director*

Non-Executive Director and member of the Compensation Committee. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. In terms of best practice, it is also considered that the Compensation Committee should be comprised exclusively of independent members.

*Vote Cast: Oppose*

*1h. Elect Enrique Salem - Non-Executive Director*

Non-Executive Director and member of the Audit Committee and the Nominating and Corporate Governance Committee. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. It is also considered that the Audit Committee and the Nominating and Corporate Governance Committee should be comprised exclusively of independent members.

*Vote Cast: Oppose*

*1i. Elect Steven Sordello - Non-Executive Director*

Non-Executive Director and Chair of the Audit Committee. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. It is also considered that Audit Committees should be comprised exclusively of independent members, including the chair. Opposition is recommended.

*Vote Cast: Oppose*



## 2. *Appoint the Auditors*

EY proposed. Non-audit fees represented 5.98% of audit fees during the year under review and 2.73% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

## 3. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ACB. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

## **PDD HOLDINGS AGM - 20-12-2024**

### 1.01. *Re-elect Lei Chen - Chair & Co-Chief Executive*

Chair and Co-CEO. Combined roles at the head of the Company. There should be a clear division of responsibilities at the head of the Company between the running of the board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal.

Vote Cast: *Oppose*

### 1.03. *Re-elect Anthony Kam Ping Leung - Non-Executive Director*

Independent Non-Executive Director, Chair of the Audit Committee. The level of non-audit fees break-down is not considered to be sufficient, as the Company has not clearly disclosed the nature of non-audit fees. This is considered to be a frustration of shareholder accountability, and opposition to the election of the Chair of the Committee is recommended to signal this concern.

Vote Cast: *Oppose*

### 1.04. *Re-elect George Yong-Boon Yeo - Non-Executive Director*

Independent Non-Executive Director. Non-Executive Director and chair of the nomination committee. At this time, individual attendance record at board and committee meetings is not disclosed. This prevents shareholders from making an informed assessment on the fulfilment of fiduciary duties and the time that directors commit to the company. It is considered that the chair of nomination committee be responsible for inaction in terms of lack of disclosure.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders.



Although sufficient biographical information has been disclosed, the company has not disclosed a skills matrix or an equivalent document, where the disclosure of the skills of each of the directors on the board be made available to shareholders and could be assessed. On balance, the level of disclosure is therefore not considered to be adequate. Due to these reasons opposition is recommended.

Vote Cast: *Oppose*

## CONTEMPORARY AMPEREX TECHNOLOGY EGM - 26-12-2024

### 1.1. *Elect Yu Qun Zeng - Chair (Non Executive)*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 1.2. *Elect Ping Li - Vice Chair (Non Executive)*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 1.3. *Elect Jia Zhou - Vice Chair (Non Executive)*

Non-Executive Director. Not considered independent owing to a tenure of over nine years, and the director was previously employed by the company as Chief Executive Officer and Chief Financial Officer. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 1.4. *Elect Jian Pan - Vice Chair (Non Executive)*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 1.5. *Elect Ouyang Chuying - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on insufficient information. It is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 1.6. *Elect Zhao Fenggang - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on insufficient information. It is considered that shareholders should be provided with sufficient

biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*2.1. Elect Wu Yuhui - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on insufficient information. It is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*2.2. Elect Lin Xiaoxiong - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on insufficient information. It is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*2.3. Elect Zhao Bei - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on insufficient information. Although there is sufficient independence on the Board, it is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. On this basis, an oppose vote is recommended.

*Vote Cast: Oppose*

*3.1. Elect the Corporate Auditors: Wu Yingming*

The supervisor candidate is not considered independent. There is insufficient independent representation on the supervisory board (less than 33%). Opposition is recommended.

*Vote Cast: Oppose*

*3.2. Elect the Corporate Auditors: Feng Chunyan*

The supervisor candidate is not considered independent. There is insufficient independent representation on the supervisory board (less than 33%). Opposition is recommended.

*Vote Cast: Oppose*

## 5 Appendix

The regions are categorised as follows:

<b>ASIA</b>	China; Hong Kong; Indonesia; India; South Korea; Laos; Macao; Malaysia; Philippines; Singapore; Thailand; Taiwan; Papua New Guinea; Vietnam
<b>SANZA</b>	Australia; New Zealand; South Africa
<b>EUROPE/GLOBAL EU</b>	Albania; Austria; Belgium; Bosnia; Bulgaria; Croatia; Cyprus; Czech Republic; Denmark; Estonia; France; Finland; Germany; Greece; Hungary; Ireland; Italy; Latvia; Liechtenstein; Lithuania; Luxembourg; Moldova; Monaco; Montenegro; Netherlands; Norway; Poland; Portugal; Spain; Sweden; Switzerland
<b>JAPAN</b>	Japan
<b>USA/CANADA</b>	USA; Canada; Bermuda
<b>UK/BRIT OVERSEAS</b>	UK; Cayman Islands; Gibraltar; Guernsey; Jersey
<b>SOUTH AMERICA</b>	Argentina; Bolivia; Brazil; Chile; Colombia; Costa Rica; Cuba; Ecuador; El Salvador; Guatemala; Honduras; Mexico; Nicaragua; Panama; Paraguay; Peru; Uruguay; Venezuela
<b>REST OF WORLD</b>	Any Country not listed above

The following is a list of commonly used acronyms and definitions.

Acronym	Description
AGM	Annual General Meeting
CEO	Chief Executive Officer
EBITDA	Earnings Before Interest Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FY	Financial Year
KPI	Key Performance Indicators - financial or other measures of a company's performance
LTIP	Long Term Incentive Plan - Equity based remuneration scheme which provides stock awards to recipients
NED	Non-Executive Director
NEO	Named Executive Officer - Used in the US to refer to the five highest paid executives
PLC	Publicly Listed Company
PSP	Performance Share Plan
ROCE	Return on Capital Employed
SID	Senior Independent Director
SOP	Stock Option Plan - Scheme which grants stock options to recipients
TSR	Total Shareholder Return - Stock price appreciation plus dividends

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