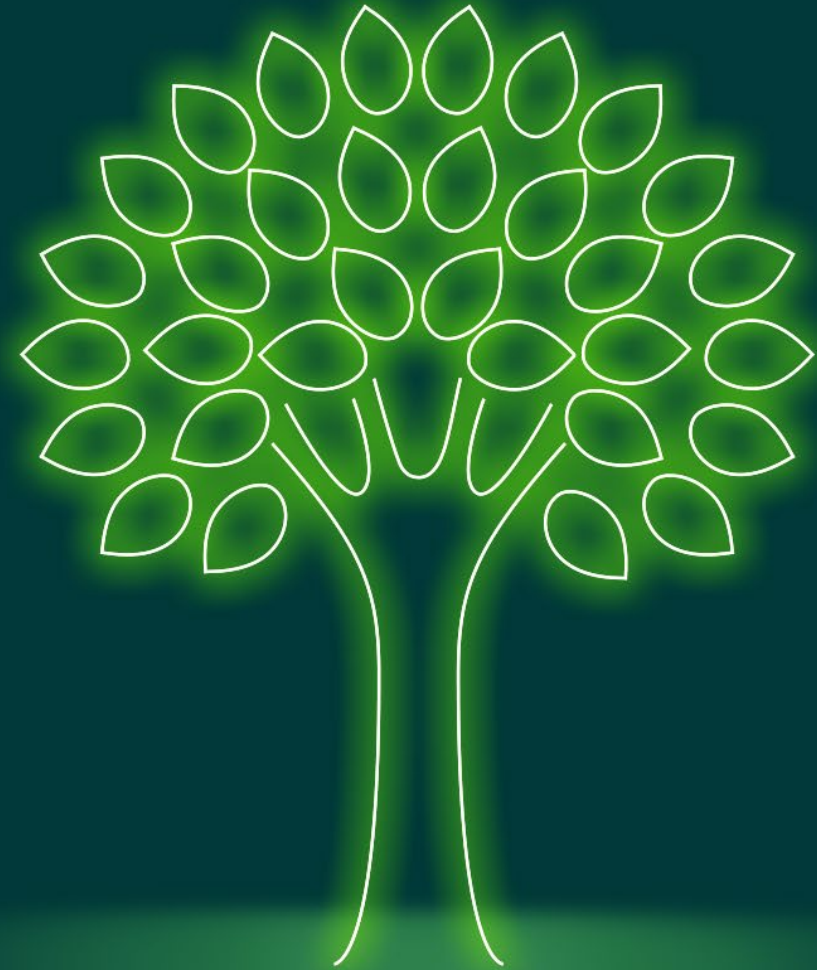




# Global Corporate Governance Report

Quarter to 31 December 2023



# Corporate Governance Voting Policy: Our Approach



We publish our UK and International Corporate Governance Voting Policies at [www.edentreeim.com](http://www.edentreeim.com)

Policies are reviewed annually. Our overarching Corporate Governance Policy is as follows:

- *EdenTree Investment Management supports the principle of considered voting, believing that proxies have an economic and stewardship value, and that shareholders have an important role to play in encouraging high standards of corporate governance from the perspective of being long-term investors. EdenTree will therefore seek to vote at all meetings in which it has a shareholding. In some cases, EdenTree may elect to abstain from voting where companies have provided insufficient information for us to take a view*
- *EdenTree has adopted a policy of voting in support of company management except where proposals do not appear to align with corporate governance best practice, or are viewed as not being in the economic interests of shareholders*

For the purposes of SRDII<sup>1</sup> we use IVIS<sup>2</sup> as our UK research provider; IVIS does not provide vote recommendations – all decisions are taken by EdenTree. Glass Lewis & Co. votes our overseas proxies in accordance with an agreed policy template. All proxies voted in support of management (pages 8 and 14) are voted in line with Policy and so no additional rationale is provided.

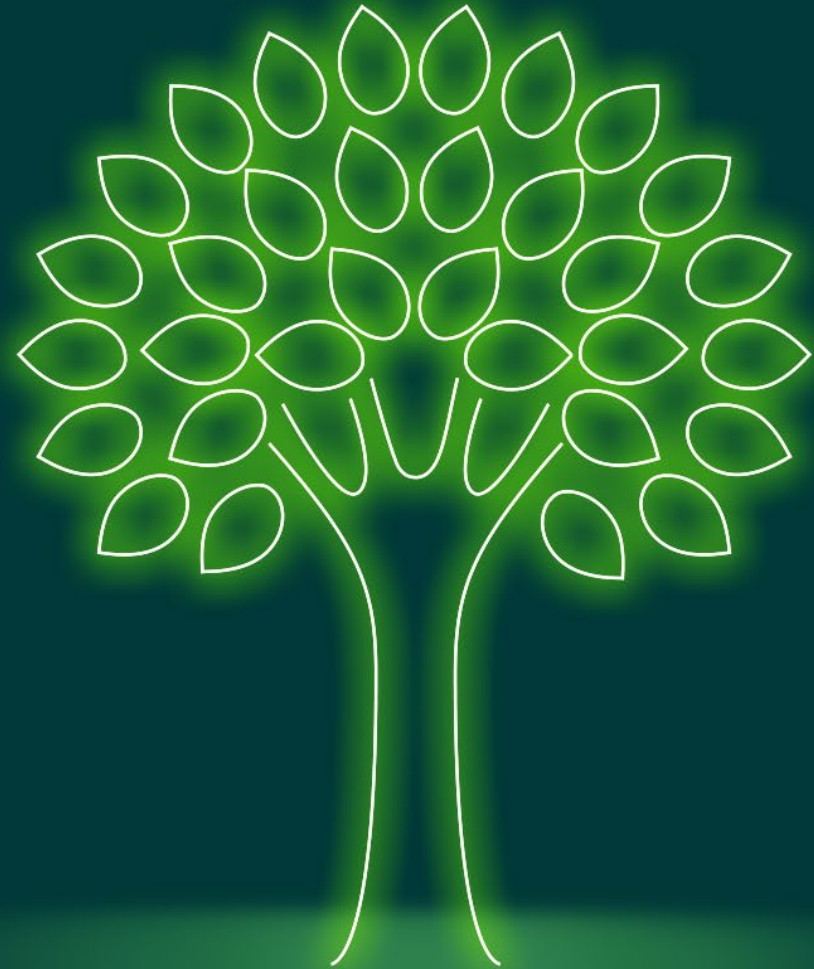
For more information on our approach to proxy voting please contact [information@edentreeim.com](mailto:information@edentreeim.com)

<sup>1</sup> SRDII – Shareholder Rights Directive II effective 2019; <sup>2</sup> Institutional Voting Information Service



# UK Corporate Governance Report

Quarter to 31 December 2023



# UK Proxy Voting: Quarter to 31 December 2023



	For	Oppose	Abstain	Total		
Resolutions	330	14	11	355	Equity	Fixed
%	93	4	3	100	25	1
Meetings				26		

Reason for Action	Oppose	Abstain
Remuneration Report	5	4
Board Balance (Directors)	4	6
Individual Incentive Schemes	5	0
Auditors	0	0
Other	0	1
<b>Total</b>	<b>14</b>	<b>11</b>

*Proxy voting statistics relate to all EdenTree Funds under management, institutional and retail, and therefore may include companies excluded on ethical grounds in the screened Funds, but allowed in other Funds*

# Oppose Votes



Company	Date	No.	Resolution	Reason
Mattioli Woods	26.10.23	3	Re-elect Ms A Gunther	Chair Audit Committee; committee has no financial expertise
Smiths Group	16.11.23	3	Approve Remuneration Report	Significant vesting at threshold; excessive discretion used to over-award
Dunelm Group	16.11.23	24	Amend LTIP	Increase in scheme maximum with no additional performance
Hotel Chocolat Group	23.11.23	2	Approve Remuneration Report	Guaranteed bonus paid to incoming CEO; significant base salary increase
		6	Re-elect Mr B Hodder	Chair Remuneration Committee; poor oversight of pay governance
Genus	22.11.23	2	Approve Remuneration Report	Guaranteed bonus paid to incoming CEO; buyout awards excessive
		8	Re-elect Ms L Knox	Chair Remuneration Committee; Board has overpaid; governance breach
		13	Approve Amendments to PSP	Increase in scheme maximum to 400%; excessive in aggregate
		14	Approve PSP Award	Guaranteed award with no performance conditions attached; breach
Ferguson	28.11.23	5	Executive Compensation	Excessive in aggregate; poor performance link
		7	Approve Omnibus Equity Plan	Excessive equity awards and excessive dilution
Hargreaves Lansdown	08.12.23	4	Approve Remuneration Policy	Significant vesting at threshold; double dipping; retention of second scheme
		22	Approve PSP	Excessive in combination with retention of supplementary scheme
Dechra Pharmaceuticals	13.12.23	3	Approve Remuneration Policy	Increase in bonus and LTIP scheme maxima; potentially excessive

# Abstain Votes



Company	Date	No.	Resolution	Reason
Dunelm Group	16.11.23	14	Approve Remuneration Policy	Increase in maximum variable pay with no additional performance
Genus	22.11.23	12	Approve Flexibility Buyout Awards	Excessive awards; flexibility not in shareholder interests
Ferguson	28.11.23	1.09	Elect Mr T Schmitt	Connected director; CEO of a company receiving significant contracts
Bluefield Solar Income Fund	28.11.23	4	Re-elect Ms L Fenestrey	Time concerns; potential over-boarding
PRS REIT (The)	04.12.23	6	Re-elect Ms G Nanda	Time concerns; potential over-boarding
Associated British Foods	08.12.23	2	Approve Remuneration Report	Restricted Share Plan with no performance attached
Supermarket Income REIT	07.12.23	8	Re-elect Ms C Vanderspar	Time concerns; potential over-boarding
		9	Re-elect Ms F Davies	Time concerns; potential over-boarding
Dechra Pharmaceuticals	13.12.23	2	Approve Remuneration Report	Bonus paid wholly on ESG and personal objectives performance
Volution Group	13.12.23	3	Approve Remuneration Policy	Removal of maximum cap; remuneration maximum increased to 325%
Bellway	15.12.23	2	Approve Remuneration Report	Undue discretion exercised to manipulate bonus outcomes

# Votes Registered in Support of Management



Company	Date	Resolutions	Action
Instem (EGM)	19.10.23	1	For Resolution
Instem (CRT)	19.10.23	1	For Resolution
Direct Line Insurance Group (EGM)	19.10.23	1	For Resolution
Close Brothers	16.11.23	22	For All Resolutions
Milshaw SAMS No 1 (EGM)	14.11.23	1	For Resolution
Target Healthcare REIT	29.11.23	14	For All Resolutions
Bioventix	07.12.23	11	For All Resolutions
Essensys	07.12.23	13	For All Resolutions
Frontier IP Group	15.12.23	16	For All Resolutions
RM Infrastructure Income EGM	20.12.23	1	For Resolution
Vietnam Holding Ltd	21.12.23	10	For All Resolutions
Vietnam Holding Ltd EGM	21.12.23	2	For All Resolutions

*All proxies voted in support of management are voted in line with our corporate governance policy*

# FTSE100 Board Diversity



Company	Rank	%	Comment
Smiths Group	70	40%	Comfortably ahead of Hampton Alexander diversity target; no change on 2022
Hargreaves Lansdown	93	45%	Comfortably ahead of Hampton Alexander diversity target; no change on 2022
Associated British Foods	35	40%	Comfortably ahead of Hampton Alexander diversity target; modest increase on 2022
Dechra Pharmaceuticals	86	38%	Comfortably ahead of Hampton Alexander diversity target; modest increase on 2022

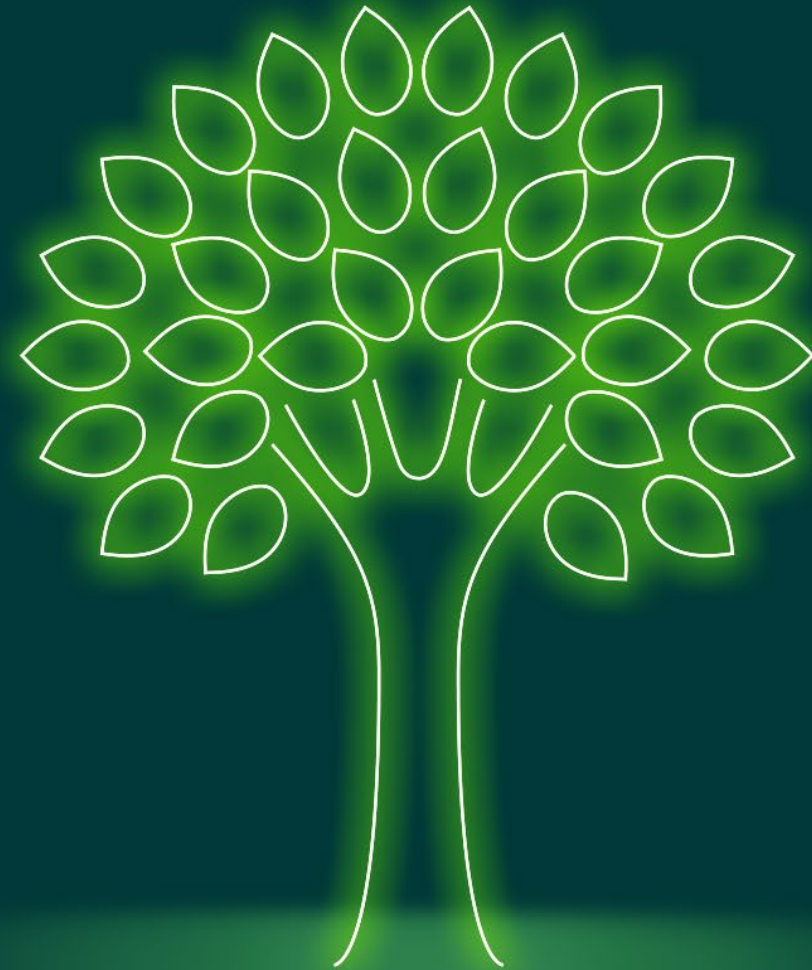
*Data correct at time of voting.*





# International Corporate Governance Report

Quarter to 31 December 2023



# International Proxy Voting: Quarter to 31 December 2023



	For	Oppose	Abstain	Total
Resolutions	107	30	3	140
%	76	22	2	100
Meetings				13
Markets Voted				5
Shareblocking				0

Reason for Action	Oppose	Abstain
Executive Compensation	12	0
Board Balance (Directors)	9	1
Shareholder Capital Issues	0	0
Other	9	2
<b>Total</b>	<b>30</b>	<b>3</b>

Meeting Region	No.
Europe <sup>1</sup>	1
USA/Canada	8
HK/Singapore	1
Japan	0
Asia – Other <sup>2</sup>	1
Australia/NZ	2
Emerging <sup>3</sup>	0
<b>Total</b>	<b>13</b>

<sup>1</sup> Ex-UK (see separate report)

<sup>2</sup> Malaysia, Thailand, Vietnam, South Korea and Taiwan

<sup>3</sup> Latin America/India/Africa/Israel/Offshore

*Proxy voting statistics relate to all EdenTree Funds under management, institutional and retail, and therefore may include companies excluded on ethical grounds in the screened Funds, but allowed in other Funds. At companies where shareblocking is exercised it is our policy to take no action rather than waive our shareholder rights.*

# Oppose Votes



Company	Date	No.	Resolution	Reason
Brambles Ltd.	12.10.23	1	Remuneration Report	Excessive in aggregate; poor performance link
Paychex Inc.	12.10.23	13	Executive Compensation	Excessive in aggregate; poor performance link
Cleanaway Waste Management	20.10.23	10	Board Spill Resolution	Not in shareholder interests; allows for 'spill' after second strike not third
Medtronic	19.10.23	10	Elect Ms D O'Leary	Non-independent Chair of the Audit Committee; only 50% independent
		11	Elect Mr K Powell	Affiliated non-executive, non-independent on Compensation Committee
		12	Appoint Auditors	No audit tender for 60 years; excessive audit tenure
		13	Executive Compensation	Compensation is viewed as excessive in aggregate
Automatic Data Processing Inc.	08.11.23	5	Elect Mr P Jones	Non-independent lead director; insufficient Board independence
		10	Elect Mr W Ready	Time concerns; serves on too many Boards
		13	Executive Compensation	Excessive in aggregate; poor performance link
		15	Ratify Auditors	No audit tender for 55 years; excessive audit tenure
Lam Research Corp.	07.11.23	12	Executive Compensation	Excessive in aggregate; poor performance link
		14	Ratify Auditors	No audit tender for 42 years; excessive audit tenure
Paylocity Holding Corp	30.11.23	1.4	Elect Mr J Diehl	Chair Nomination Committee; insufficient Board diversity
		3	Executive Compensation	Excessive in aggregate; poor performance link
		4	Approve 2023 Equity Incentive Plan	Additional shareholder dilution; compensation is already excessive
Cisco Systems Inc.	06.12.23	3	Elect Mr M Garrett	Non-independent Lead Director where Chair/CEO is combined
		10	Amend 2005 Stock Incentive Plan	Excessive additional dilution; compensation is highly excessive

# Oppose Votes



Company	Date	No.	Resolution	Reason
Cisco Systems Inc.	06.12.23	11	Executive Compensation	Excessive in aggregate; poor performance link
		13	Ratify Auditors	No audit tender for 35 years; excessive audit tenure
Microsoft Corporation	07.12.23	2	Elect Mr H Johnson	Time concerns; serves on too many Boards
		13	Executive Compensation	Excessive in aggregate; poor performance link
		15	Ratify Auditors	No audit tender for 40 years; excessive audit tenure
		16	Shareholder Proposal	Report on median costs re: with gender dysphoria; narrow interest group
		17	Shareholder Proposal	Equal Opportunity Policy Risk Report; narrow interest group proposal
Palo Alto Networks Inc.	12.12.23	23	Shareholder Proposal	Third party Political Expenditures Report; significant inbuilt cost
		2	Elect Ms A Bawa	Connected director on Audit Committee; poor overall independence
		4	Elect Ms L Twohill	Non independent director on Nomination Committee; poor independence
		6	Executive Compensation	Excessive in aggregate; poor performance link
		7	Approve 2021 Equity Incentive Plan	Additional shareholder dilution; compensation is already excessive

# Abstain Votes



Company	Date	No.	Resolution	Reason
Microsoft Corporation	07.12.23	18	Shareholder Proposal	Government takedown Requests; disclosure is comprehensive; has merit
		24	Shareholder Proposal	AI Misinformation & Disinformation; poorly defined proposal; some merit
Palo Alto Networks Inc.	12.12.23	1	Elect Mr N Arora	Combined Chair/CEO; \$92bn market cap with director election by rotation

# Votes Registered in Support of Management



Company	Country	Date	Resolutions	Action
Vow ASA	Norway	29.11.23	4	For All Resolutions
Sporton International Inc.	Taiwan	08.11.23	2	For All Resolutions
Boustead Singapore Limited	Singapore	14.12.23	3	For All Resolutions

# Frequency of Advisory Vote on Executive Compensation



Company	Date	Frequency Sought	Voted
Paychex Inc.	12.10.23	1 Year	FOR
Automatic Data Processing Inc.	08.11.23	1 Year	FOR
Lam Research Corp.	07.11.23	1 Year	FOR
Cisco Systems Inc.	06.12.23	1 Year	FOR
Microsoft Corporation	07.12.23	1 Year	FOR

*In the US companies are required to seek shareholder approval on the frequency of the advisory vote on executive compensation. Companies are allowed to seek a vote every 1, 2 or 3 years. In the majority of cases companies seek an annual advisory vote, and our policy is to oppose any mandates seeking a more intermittent mandate.*

# Shareholder Resolutions Supported



Company	Country	Date	Resolution
Cisco Systems Inc.	United States	06.12.23	Shareholder proposal to provide a tax transparency report; proposal has strong merit
Microsoft Corporation	United States	07.12.23	Shareholder proposal regarding risks of developing military weapons; has strong merit
			Shareholder proposal regarding climate risk in employee pension plans; has strong merit
			Shareholder proposal to provide a tax transparency report; proposal has strong merit
			Shareholder proposal report on risks of siting in countries with significant human rights

*It is Edentree Investment Management's policy to support Shareholder Resolutions where these appear reasonable and proportionate and in keeping with our general stance on ESG (environmental, social and governance) positives. Where they appear to mandate an unreasonable financial charge, represent narrow lobby interests or are politically motivated, we may exercise discretion to oppose or abstain. Company proposed climate transition strategies are assessed on their merits.*





# Annual Corporate Governance Statistics

Year to 31 December 2023



# UK Proxy Voting: Year to 31 December 2023



	For	Oppose	Abstain	Total	Equity	Fixed
Resolutions	2,652	146	53	2,851		
%	93	5	2	100	163	8
Meetings				171		

Reason for Action	Oppose	Abstain	Total %	Remuneration Votes 2023
Remuneration Report/Policy	95	18	57	Total Votes: 209
Board Balance (Directors)	22	20	21	Action Taken: 113
Variable Incentive Schemes	11	5	8	% Action Taken 54%
Auditors	6	2	4	FTSE100 Supported 2%
Other	12	8	10	
<b>Total</b>	<b>146</b>	<b>53</b>	<b>100%</b>	

UK includes Great Britain, Guernsey and Jersey

# International Proxy Voting: Year to 31 December 2023



	For	Oppose	Abstain	Total
Resolutions	2,160	356	35	2,551
%	85	14	1	100
Meetings				182
Markets Voted				20
Shareblocking				6

Reason for Action	Oppose	Abstain	Total %
Executive Compensation	156	1	40
Board Balance (Directors)	81	7	23
Shareholder Capital Issues	10	6	4
Other	109	21	33
<b>Total</b>	<b>356</b>	<b>35</b>	<b>100</b>

Meeting Region	No.
Europe <sup>1</sup>	79
USA/Canada	76
HK/Singapore	15
Japan	6
Asia – Other <sup>2</sup>	4
Australia/NZ	2
<b>Total</b>	<b>182</b>

1 Ex-UK (see separate report)  
 2 Malaysia, Thailand, Vietnam, South Korea

# Grand Total Proxy Voting: Year to 31 December 2023



	For	Oppose	Abstain	Total
Resolutions	4,812	502	88	5,402
%	89	9	2	100
Meetings				353
Markets Voted				23
Shareblocking				6

Reason for Action	Oppose	Abstain	Total %
Executive Compensation	262	24	48
Board Balance (Directors)	103	27	22
Shareholder Capital Issues	10	6	3
Other	127	31	27
<b>Total</b>	<b>502</b>	<b>88</b>	<b>100</b>

Meeting Region	No.
UK <sup>1</sup>	171
Europe <sup>2</sup>	79
USA/Canada	76
HK/Singapore	15
Japan	6
Asia – Other <sup>3</sup>	4
Australia/NZ	2
<b>Total</b>	<b>353</b>

- 1 UK includes Channel Islands
- 2 Ex-UK
- 3 Malaysia, Thailand, Vietnam, South Korea

# Our Corporate Governance Service Providers



GLASS LEWIS

Our global corporate governance proxy voting is supported by:

- IVIS – providing UK proxy voting research and advice [www.ivis.co.uk](http://www.ivis.co.uk)
- Glass Lewis & Co. – providing overseas proxy voting execution [www.glasslewis.com](http://www.glasslewis.com)

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