



2021 Q3 - Quarterly Proxy Voting Report

21 October 2021

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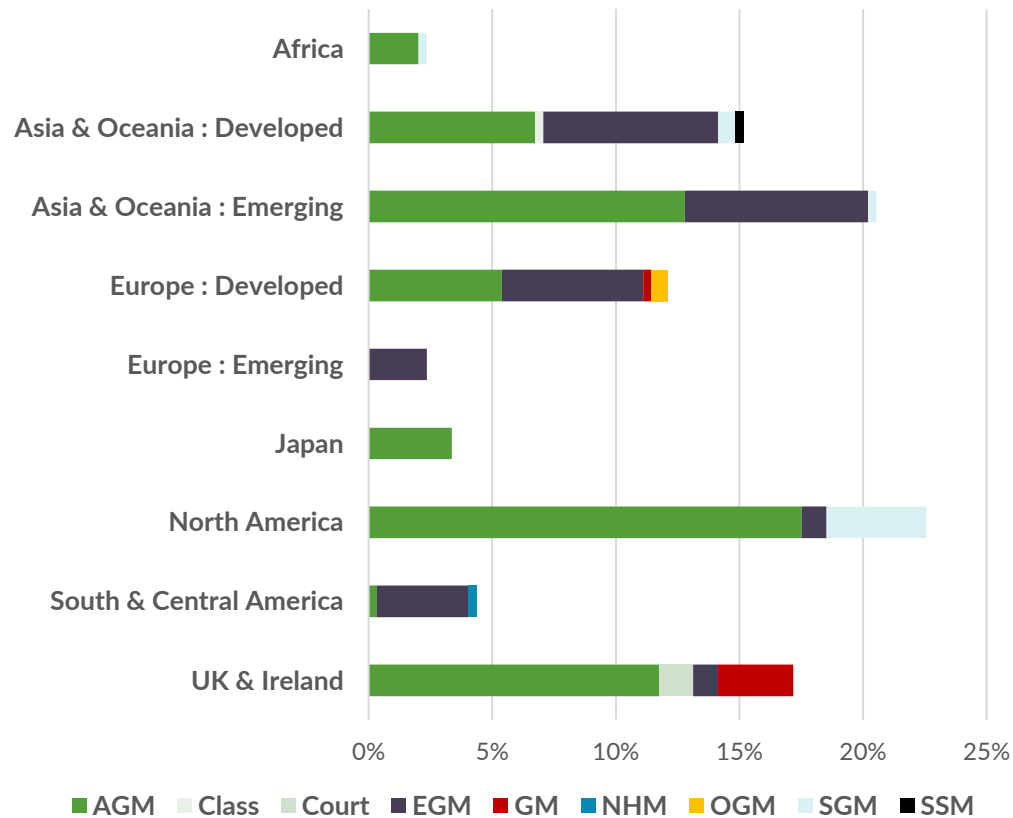
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- Pensioenfonds Vliegend Personeel KLM has developed and implemented policies and procedures to ensure that its fiduciary obligation to vote proxies in the best interest of its clients is fulfilled.
- We actively exercise our rights as an owner of shares to promote responsible and sustainable practices in investee companies.
- We report on our Proxy Voting activities on a quarterly basis in keeping our commitments to our clients as well as the market reporting expectations.
- We have developed a Proxy Voting Policy, setting out our expectations for good corporate governance in the companies in which we invest. The policy has been developed based on global best practice guidelines such as the [ICGN Global Corporate Governance Principles](#) of Corporate Governance, the [G20/OECD Principles of Corporate Governance](#), the [UN Guiding Principles on Business and Human Rights](#) and the [UN Sustainable Development Goals \(SDGs\)](#).
- All data comes from [Minerva Analytics](#), our Proxy Voting service provider.

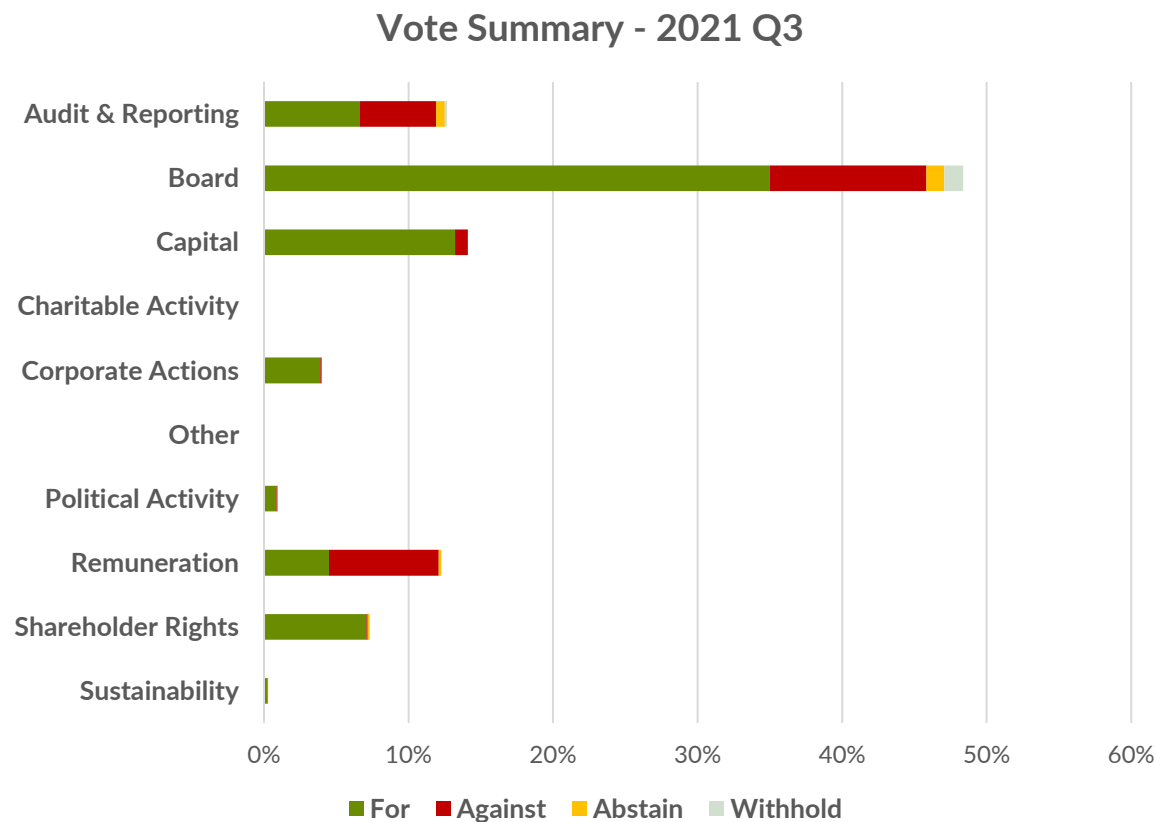
Vote Summary by Region

Vote Summary - 2021 Q3



Region	Event Type									Total
	AGM	Class	Court	EGM	GM	NHM	OGM	SGM	SSM	
Africa	6	0	0	0	0	0	0	1	0	7
Asia & Oceania : Developed	20	1	0	21	0	0	0	2	1	45
Asia & Oceania : Emerging	38	0	0	22	0	0	0	1	0	61
Europe : Developed	16	0	0	17	1	0	2	0	0	36
Europe : Emerging	0	0	0	7	0	0	0	0	0	7
Japan	10	0	0	0	0	0	0	0	0	10
North America	52	0	0	3	0	0	0	12	0	67
South & Central America	1	0	0	11	0	1	0	0	0	13
UK & Ireland	35	0	4	3	9	0	0	0	0	51
Total	178	1	4	84	10	1	2	16	1	297

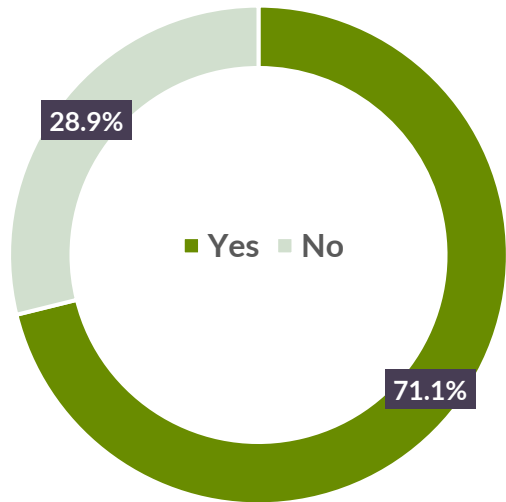
Vote Summary by Resolution Category



Resolution Category	Votes				Total
	For	Against	Abstain	Withheld	
Audit & Reporting	208	165	19	5	397
Board	1,097	339	39	41	1,516
Capital	414	28	0	0	442
Charitable Activity	1	0	0	0	1
Corporate Actions	122	3	0	0	125
Other	0	1	0	0	1
Political Activity	27	2	0	0	29
Remuneration	141	238	5	0	384
Shareholder Rights	222	3	4	0	229
Sustainability	8	0	1	0	9
Total	2,240	779	68	46	3,133

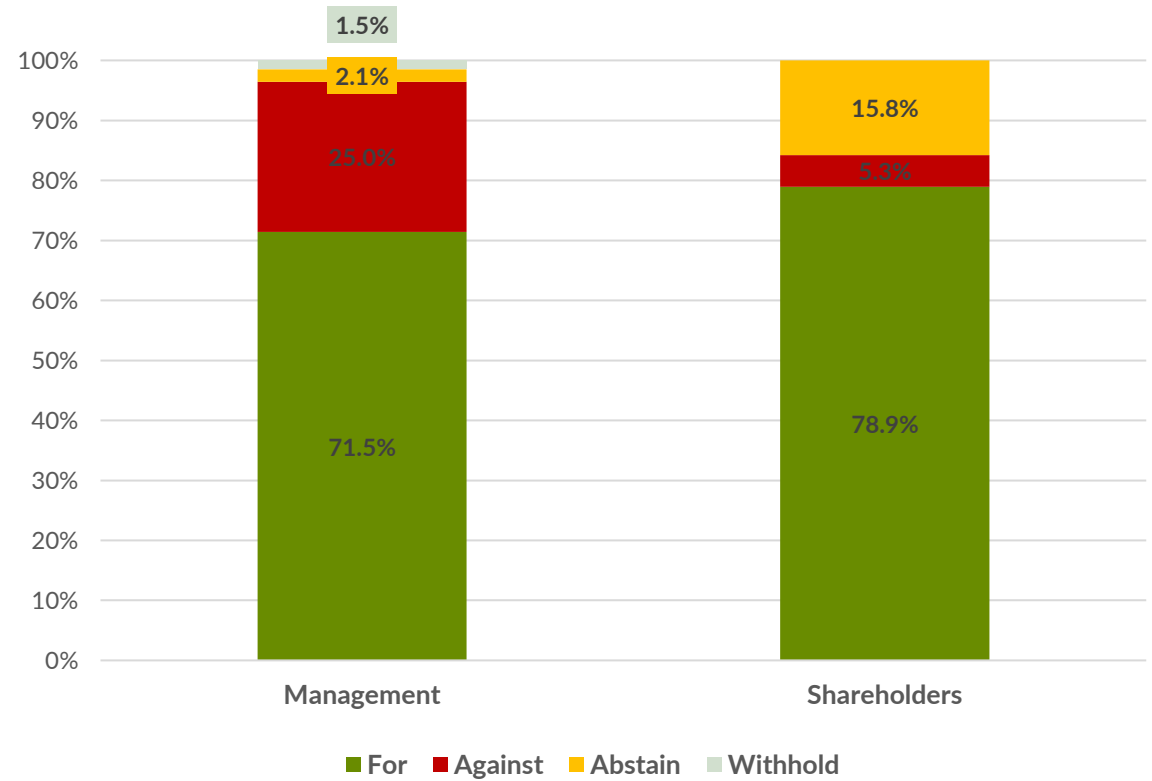
- During the third quarter of 2021, we voted on 297 events and 3,133 resolutions.

Management Recommendation Followed



Votes in line with Management Recommendation	2,229
Votes NOT in line with Management Recommendation	904

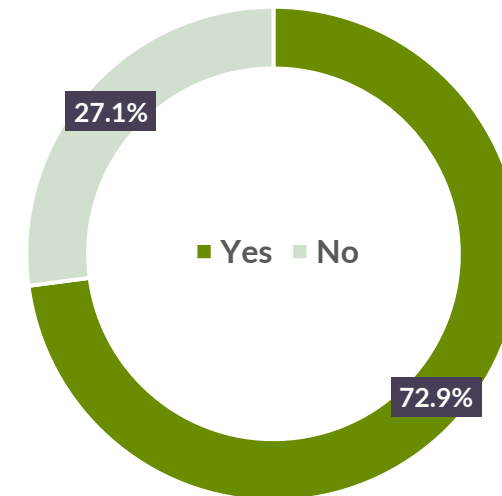
Summary Votes by Proposer



- We use the Sustainable Development Goals (SDGs) to identify Environmental, Social and Governance risks and opportunities. We have identified the below five SDGs themes as priorities.

<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>SDG 7 - Affordable and Clean Energy</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>SDG 8 - Decent Work and Economic Growth</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>SDG 9 - Industry, Innovation and Infrastructure</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>SDG 12 - Responsible Consumption and Production</p>
<p>13 CLIMATE ACTION</p> 	<p>SDG 13 - Climate Action</p>

SDGs Referenced

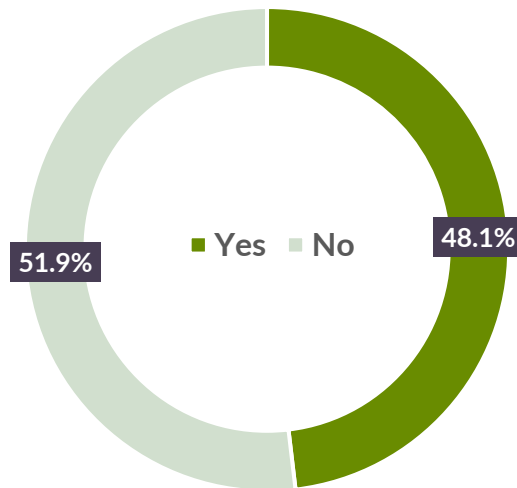


▪ As part of the Data collection and Research process, Minerva identifies those companies that have referenced the SDGs in their disclosures. In the third quarter of 2021, 72.9% of the companies that held events that we voted on have a material reference to the SDGs.



- We expect companies to have a strategy for reducing carbon emission, to be clear about targets set and to report on the progress achieved.
- Generally, we support proposals that enhance disclosure and provide shareholders with a better view of the company’s practices. To this end, we support the adoption of globally recognised reporting frameworks such as [Task force on Climate related Financial Disclosures \(“TCFD”\)](#).

TCFD Referenced



▪ Minerva has identified that approximately 48% of the Companies we voted on between 1 Jul 2021 and 30 Sep 2021 have made specific reference to the TCFD framework and alignment with the disclosure pillars.



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Company	Sector	Incorporated	Event: AGM	Resolutions	Proposed by
AGL Energy Ltd.	Gas, Water & Multi-utilities	Australia	22 Sept 2021	6a - To amend the constitution 6b - To request that the Board disclose targets for reductions in emissions in line with the Paris Agreement	Shareholders

The Company is principally engaged in gas distribution services, including purchasing, distribution, construction and operation of power generation and storage facilities.

In March 2021 AGL Energy Ltd announced it would demerge into two entities: Accel Energy, which will hold its legacy coal power stations, and AGL Australia, which will hold its retail business and clean energy assets.

At the AGM, shareholders voted in favour of a shareholder resolution asking AGL to disclose, in association with forthcoming demerger scheme documents:

- Short-, medium- and long-term targets for emission reductions in the proposed demerged companies in accordance with the Paris Agreement;
- How the demerged companies' capital expenditures will align with the targets; and
- How the demerged companies' remuneration policies will incentivise progress against the targets.

While a majority of shareholders supported the resolution, the resolution was not carried as it was dependent on the passage of a separate shareholder resolution to amend the constitution.

This is a unique feature of the Australian market as shareholders do not have the right to file advisory non-binding resolutions. It is therefore common for Australian shareholders to file a binding resolution seeking an amendment to the constitution to grant shareholders the right. Filing this request gives shareholders the platform to propose advisory resolutions on other matters, such as climate change, at the same meeting.

As the constitutional amendment resolutions are classified as special resolutions, shareholders struggle to find the required majority and if the constitution amendment fails, then any advisory resolution also filed cannot pass as they are conditional on the amendment being successful.

We supported both shareholder resolutions. We consider the ability to file advisory non-binding resolutions to be a valuable shareholder right. We expect companies to have a strategy for reducing emissions, to be clear about targets set and to report on the progress achieved and are supportive of shareholder resolutions that request enhanced disclosure in this area.

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Company	Sector	Incorporated	Event: AGM	Resolution	Proposed by
Electronic Arts Inc	Leisure Goods	United States of America	11 Aug 2021	2 - To approve an advisory vote on the remuneration of the Company's named executive officers	Management

The Company is a developer, marketer, publisher and distributor of game software and content.

Electronic Arts Inc suffered a second remuneration report defeat in a row at its 2021 AGM.

At the 2020 AGM, approximately 75% of the shareholder ballot withheld support on the resolution to approve the remuneration report. Concerns with the use of special equity awards and the structure of performance share awards were key contributing factors to the dissent.

In response to the 2020 vote, the remuneration committee granted no special equity awards in fiscal year 2021 and stated none will be granted in fiscal 2022. In addition, the remuneration committee added two additional performance metrics and increased the vesting period for performance shares to three-years, beginning in fiscal 2022 onwards.

At the 2021 AGM, shareholders voted down the remuneration report again, albeit at a lower dissent level of around 60%. The voting result indicates that shareholders were dissatisfied with the board's response to shareholder concerns and retained concerns with the structure of remuneration and alignment of pay with performance.

We did not support the remuneration report given performance conditions did not apply to all long-term incentive awards, certain awards had a short vesting period, and awards could partially vest for below median TSR performance which was not considered sufficiently stretching.

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Company	Sector	Incorporated	Event: AGM	Resolution	Proposed by
JD Sports Fashion plc	Retailers	United Kingdom	01 Jul 2021	6 - To re-elect as a director, Andrew Leslie	Management

The principal activity of the Company is the retail of branded sports fashionwear and outdoor clothing and equipment.

Under the UK Listing Rules, the election or re-election of an independent director to the board of a company with a controlling shareholder must be approved separately by both the shareholders of the company as a whole and the independent shareholders of the company as a separate class (excluding the controlling shareholder). The election must be approved by both shareholder ballots.

If the election is not approved by both shareholder ballots and the company wishes to propose that person for election, then a further resolution to elect the individual must be proposed to shareholders 90-120 days following the failed resolution. The second vote is conducted by a single ballot of the shareholders of the company as a whole, giving the controlling shareholder influence in deciding on whether the director candidate should be elected.

Pentland Group Ltd is JD Sports Fashion plc’s controlling shareholder, holding 55.0% of the ordinary share capital. Accordingly, the election of the Company’s independent directors is subject to two separate shareholder ballots in line with the Listing Rules.

At the AGM, the re-election of Andrew Leslie to the board was voted down by independent shareholders, with approximately 55% of the independent ballot opposing the resolution. In contrast, the ballot of the shareholders of the company as a whole voted through his election, with approximately 78% votes in favour – indicating Pentland Group were supportive of Leslie’s re-election.

The Board stated it recognised the resolution did not receive the requisite majority of the independent shareholders and that Andrew Leslie would step down from the Board with immediate effect.

We did not support the re-election of Andrew Leslie due to independence concerns and his membership of key board committees. Leslie joined JD Sports’ board in 2010 and prior to that he was an executive director of Pentland Brands, which he retired in 2008.

Glossary

■ Meeting Types

- **AGM - Annual General Meeting:** meeting normally required by law taking place on an annual basis.
- **Class - Class Meeting:** shareholders holding a class of share are required to make a decision binding on the company.
- **Court - Court meeting:** shareholders can either order an annual meeting or a special meeting.
- **EGM - Extraordinary General Meeting:** meeting is required to conduct business of an urgent or extra-ordinary nature. Such business may require a special quorum or approval level.
- **GM - General Meeting:** term often used interchangeably with the term EGM,OGM, SGM, depending on the term used by the company in question.
- **NHM - Noteholders Meeting:** a meeting at which holders of outstanding notes participate.
- **OGM - Ordinary General Meeting:** term often used interchangeably with the term EGM,GM, SGM, depending on the term used by the company in question.
- **SGM - Special General Meeting:** term often used interchangeably with the term EGM,GM, OGM, depending on the term used

■ Vote Types

- **Abstain - Shareholder's vote not in favour or against the proposed resolution, but shareholder demonstrates lack of confidence towards the rationale behind the resolution.**
- **Against - Shareholder's vote against the resolution proposed.**
- **For - Shareholder's vote in favour of the resolution proposed.**
- **Withhold - For North America auditor and director election resolutions, shareholder vote not in favour of the resolution proposed.**

DISCLAIMER

■ About Minerva

Minerva helps investors and other stakeholders to overcome data disclosure complexity with robust, objective research and voting policy tools. Users can quickly and easily identify departures from good practice based on their own individual preferences, local market requirements or apply a universal good practice standard across all markets.

For more information please email hello@minerva.info or call + 44 (0)1376 503500

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