

REVIEW OF PROXY VOTING 2025

Prepared by Minerva Analytics

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1. INTRODUCTION

1.1 OVERVIEW OF THE REPORT

The report details the voting activities of the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) for the period 1 July 2024 to 30 June 2025. The report provides a snapshot on a region-by-region basis of how key resolutions were voted by NILGOSC and compares NILGOSC's voting activity with general shareholder voting.

The outcome of shareholder meetings held by companies in the NILGOSC portfolio has been collated by Minerva Analytics Ltd (Minerva) and the data subsequently analysed in terms of dissent. Minerva defines "dissent" to be where a vote is cast contrary to the management recommendation. Hence, where the management recommendation is to vote in favour, dissent is measured as the sum of against votes plus abstentions. The most contentious resolutions are identified from this process, and the reasons for this dissent are discussed by reference to Minerva's research and public sources of information. The NILGOSC voting activity is cross-referenced against these 'contentious' resolutions.

The structure of the report is described below:

- The executive summary is presented in Section 2.
- Section 3 identifies the number of meetings and resolutions voted by NILGOSC and the voting direction in comparison to management recommendations.
- The following sections, 4-6, examine the resolutions voted upon during the period under review on a region-by-region basis. It identifies the NILGOSC voting direction by resolution category and provides a snapshot of key resolutions and governance concerns in each category that attracted noteworthy shareholder dissent, in comparison to how NILGOSC voted.
- Section 7 examines climate disclosures within NILGOSC's global portfolios.
- The document concludes with Section 8.

Please note, in January 2025, NILGOSC commenced availing of the opportunity to use 'pass-through voting' at the meetings of companies held in both its passively-managed funds and in its segregated actively-managed equity portfolios. When a meeting occurs for such a company, NILGOSC can now: exercise its voting rights in the segregated accounts as normal; and can also direct how a proportional share of the votes for the passively-managed holding are placed, via an arrangement with its passive investment manager. The reported figures for NILGOSC's voting activity include resolutions voted on by NILGOSC via pass-through voting.

1.2 VOTING POLICY

NILGOSC has an agreed bespoke voting policy for which Minerva generates voting guidance for NILGOSC's officers. NILGOSC's voting policy preferences are stipulated on Minerva's research and advisory systems, thereby producing a voting policy template which is applied uniquely and only to NILGOSC's accounts. The policy guidance is generated by expert analysis of governance and sustainability disclosures, and the meeting business to be voted on by shareholders using Minerva's proprietary governance analytics template and database technology.

The voting policy template consists of a set of agreed criteria and actions to be taken in the event of any resolution having failed to meet NILGOSC's policy criteria. The policy takes a robust and objective approach to the guidance that it generates in order to ensure a consistent application of NILGOSC's principles. Where the resolution in question is in line with the voting policy standards, the guidance is to vote 'For'. Where a concern is identified, the voting guidance will be determined by the voting policy system settings chosen by NILGOSC: most commonly 'Against', but sometimes 'Case-by-Case', while 'Abstain' is rarely used (except in certain markets where it is the only voting option available to express opposition or dissent). These recommendations may or may not be carried out by NILGOSC's officers, who will take all available information into account when exercising NILGOSC's voting rights.

2. EXECUTIVE SUMMARY

2.1 REGIONS AND COUNTRIES

NILGOSC voted at 212 shareholder meetings held by 192 companies over the period (1 July 2024 to 30 June 2025). The companies are listed in the following jurisdictions:

Europe: Denmark, France, Germany, Italy, Luxembourg, Netherlands, Spain, Switzerland, and the United Kingdom (UK)

North America: Canada, and the United States (US)

Rest of the World: Brazil, China, Hong Kong, India, Japan, Singapore, South Korea, and Taiwan.

2.2 EUROPE

There were 37 shareholder meetings at 31 companies in the Europe region, resulting in 619 resolutions.

NILGOSC voted in opposition to management on 206 of 617 management-proposed resolutions; for two resolutions, management gave no recommendation. Excluding these two, the dissent rate was 33.39%. No management-proposed resolutions were voted down by shareholders in the region.

Whilst there were five shareholder resolutions in the Europe region in the previous year, NILGOSC did not vote on any shareholder proposed resolution in Europe in the period under review.

2.3 NORTH AMERICA

NILGOSC voted at 129 shareholder meetings held by 123 North American companies. North America was the region with the highest number of resolutions (1,732) and the highest number of events (129).

NILGOSC voted in opposition to management on 744 (47.57%) of 1,564 management-proposed resolutions. Four management proposed resolutions opposed by NILGOSC were voted down by shareholders during the period. The resolutions related to the approval of Molina Healthcare Inc and Warner Bros Discovery Inc's remuneration reports and director elections at Netflix Inc and Phillips 66.

NILGOSC voted 'For' on 123 (73.21%) of 168 shareholder proposals during the period, which included four successful shareholder proposals: one proposal requested enhancements to the shareholder ability to call special general meetings, one asked for the adoption of annual director elections, one asked for the introduction of the shareholder right to act by written consent, and one requested enhanced reporting on company political expenditure.

2.4 REST OF THE WORLD

NILGOSC voted at 46 events at 38 companies. There were 32 Annual General Meetings (AGMs), 10 Extraordinary General Meetings (EGMs), three Ordinary General Meetings (OGMs), and one Class Meeting (Class).

NILGOSC voted in opposition to management on 171 (35.77%) of 478 management proposed resolutions. No management-proposed resolutions were defeated in the region.

There were 11 shareholder proposals in the region, and all occurred at Japan-listed companies. NILGOSC supported three proposals seeking amendments to governing documents as NILGOSC considered enactment would enhance transparency and/or shareholder rights.

2.5 KEY POLICY ISSUES

NILGOSC voted contrary to management on 43.94% of resolutions during the period (1 July 2024 to 30 June 2025), demonstrating an active approach to share voting. This is an increase of 1.32 percentile points from last year's dissent of 42.62%. The general average dissent level (i.e., from the meeting results data) for the year was 5.03% (2024: 7.55%), thus it can be assumed that shareholders tend to support management to a considerable extent.

During the period under review, four management-proposed resolutions NILGOSC voted against were defeated, and NILGOSC supported four successful shareholder proposals. In the previous year, one management proposal NILGOSC opposed was defeated and NILGOSC supported nine successful shareholder proposals.

NILGOSC opposed board-related resolutions more than any other category. Over half (50.12%) of all dissenting votes were within this category, followed by remuneration (17.48%) and audit & reporting (16.76%) related resolutions.

NILGOSC's voting policy preferences are stipulated on Minerva's research and advisory systems, thereby producing a voting policy template applied uniquely and only to NILGOSC's accounts. Where a company's governance practice varies from NILGOSC's template preference, a 'policy flag' is created. Analysis of the voting template allows for a study of the specific governance issues that have been flagged according to NILGOSC's governance preferences to identify the most common 'issues' at companies in the NILGOSC portfolio.

The 3,505 policy flags were recorded in the following resolution categories: board-related resolutions had in aggregate 1,773 policy flags; 666 for remuneration; 569 for audit & reporting; 189 for sustainability; 141 for capital; 79 for shareholder rights; 62 for corporate actions; 13 for charitable activity; 10 for 'other'; and three for political activity. Readers should note that a single resolution may have more than one policy flag (NB. board-related resolutions accounted for 59.68% of resolutions voted, therefore the large number of board-related policy flags is primarily due to the large number of board-related resolutions voted on when compared to other categories). The overall number of policy flags, 3,505, is lower than last year's count of 3,599, due to changes in holdings within NILGOSC's global portfolio, a lower number of resolutions voted, and revisions made to NILGOSC's voting policy template. Similarly, the overall proportion of resolutions with a policy flag has fallen (53.84% compared to 55.50%).

For many of the issues identified in the analysis, portfolio companies will have provided explanations for non-compliance, in line with the principle of "comply-or-explain". These explanations may, in some cases, be accepted.

Corporate governance is important to investors because it defines the system of checks and balances between the directors of the company and its owners. Hence, good governance is the first step to effective risk management and sustainable long-term returns. Although the volume (in absolute terms) of the most common governance concerns identified is affected by the sheer number of director election resolutions compared to other types of resolution, readers should not dismiss the significance of board-related considerations.

In part due to various external factors, including macroeconomic and geopolitical uncertainty, there has been a return to a focus on the G in ESG, and a back-to-basics approach as companies seek to protect the bottom line in an uncertain operating environment. Investors are looking for companies to demonstrate sound governance and are re-examining board composition, skills and diversity to ensure companies are positioned to provide effective oversight of material long-term financial and sustainability risks and opportunities.

The election of directors, and the governance structures which they constitute on the board, is the lifeblood of accountability between boards and owners. It is the (non-executive) individuals on the board whose job it is to protect and look out for the interests of shareholders, so it follows that they are held accountable regularly and that a wide number of considerations are taken into account.

Remuneration continues to be a contentious issue, and remuneration-related resolutions prove to be the most consistently contentious resolution category of those routinely and predominantly proposed by management. Remuneration packages are increasingly complex, with both fixed and variable elements. Voting decisions are based on the absolute levels of pay for the past year, the size of any increases proposed for the coming year and the alignment between performance targets and company strategy.

The election of directors and approval of directors' remuneration are important shareholder rights in this context. It should be noted that key governance themes such as remuneration practices and board composition should be assessed over the longer term when looking for changes in company practices and should be considered to be an evolutionary process over time. These two general themes taken together, namely remuneration and board issues, raise questions about the significance which many companies attribute to the quality of board input, as well as their approach and attitude towards pay for performance. These questions are ongoing general concerns for shareholders and continue to spark debate and regulatory initiatives.

3. MEETINGS AND VOTING SNAPSHOT

3.1 MEETINGS AND RESOLUTIONS BY REGION

NILGOSC voted on 2,840 resolutions during the period under review, 1 July 2024 to 30 June 2025, across all markets.

Table 1: Total Number of Meetings and Resolutions by Region*

REGION	MEETINGS HELD*			TOTAL NUMBER OF RESOLUTIONS*			AVG NO OF RESOLUTIONS		
	AGM	OTHER	TOTAL	AGM	OTHER	TOTAL	AGM	OTHER	TOTAL
Europe	30	7	37	602	17	619	20.07	2.43	16.73
North America	123	6	129	1,719	13	1,732	13.98	2.17	13.43
Rest of the World	32	14	46	362	127	489	11.31	9.07	10.63
TOTAL	185	27	212	2,683	157	2,840	14.50	5.81	13.40

***Data Note:** Includes six events and 83 resolutions voted by NILGOSC via its adoption of pass-through voting at companies subsequently not held in NILGOSC's segregated accounts at the time of voting.

Company law in most jurisdictions sets out certain mandatory business which must be put to the shareholders at an AGM. Such business typically includes: receiving of the annual report & accounts; director (re-)elections; director remuneration proposals; capital return proposals; and (re-)appointment and remuneration of auditors.

AGM business will also often contain resolutions to approve the issue of new share capital up to a certain maximum, along with an accompanying request for the dis-application of pre-emption rights. For this reason, a larger number of resolutions are proposed at AGMs on average, than are for other types of meetings.

Other types of meetings include: an Extraordinary General Meeting (EGM) or a Special General Meeting (SGM) where a special resolution is the substance of the meeting (i.e., a resolution which requires a special level of support or turnout); Court Meetings which are technically called by a Court of Law (most commonly when there is a need to approve a Scheme of Arrangement), rather than by management; and Class Meetings where only shareholders of a specified class of share are able to vote.

3.2 NILGOSC VOTING VS MANAGEMENT RECOMMENDATION

Where we use the term 'Dissent' or 'Opposition', this is the result of having added up all votes cast differently to the management recommendation, represented as a percentage of all votes cast ('Against' plus 'Abstain' votes where management recommended a 'For' vote; and 'For' and 'Abstain' votes where management recommended 'Against').

NILGOSC uses its voting rights as a means of expressing concern over corporate governance issues and fulfilling its fiduciary duty to members. NILGOSC voted against management recommendation on 43.94% of all resolutions. In the case of shareholder proposals, this figure was 70.39%.

The overwhelming number of resolutions were proposed by management, however, 6.30% of resolutions were proposed by shareholders, a slightly lower proportion than last year (6.50%). NILGOSC's policy was to support those shareholder proposals which sought governance improvements in cases where compelling arguments were made by the proponent and where the proposal followed market good practice.

Of the 179 shareholder resolutions voted by NILGOSC during the year, 168 were in the North America region, where, in the absence of a corporate governance code, active shareholders make use of shareholder resolutions as a tool to try to change environmental, social and governance practices at companies. There were 11 shareholder resolutions proposed in the Rest of the World region and no shareholder resolutions in Europe during the period under review.

3.3 NILGOSC ANNUAL VOTING

Table 2: NILGOSC Annual voting direction

MANAGEMENT RECOMMENDATION	NILGOSC VOTING				
	FOR	ABSTAIN	WITHHOLD	AGAINST	TOTAL
For	1,529	4	91	1,025	2,649
Abstain	1	9	-	-	10
Withhold	-	-	4	-	4
Against	126	-	-	49	175
Case-by-Case	1	-	-	1	2
TOTAL	1,657	13	95	1,075	2,840

NILGOSC believes that there should be no grey area when it comes to voting and therefore has a policy of not abstaining. The 'Abstain' votes in the table above were mainly due to certain markets which allow abstentions as the only voting option to oppose a resolution, and say-on-pay frequency proposals at United States (US) companies. Technically, the latter is a single resolution at which investors have to choose from three options (annual, biennial, and triennial) to determine the frequency of a say-on-pay vote. On all say-on-pay frequency proposals, NILGOSC voted for an annual frequency, and 'abstained' on the biennial and triennial alternatives.

NILGOSC 'Withheld' its vote on resolutions where it was the only contrary voting option available to register dissent. Such instances occurred at shareholder meetings in the North America region where shareholders could either vote 'For' or 'Withhold' on a resolution.

3.4 GENERAL RESOLUTION CATEGORY ANALYSIS

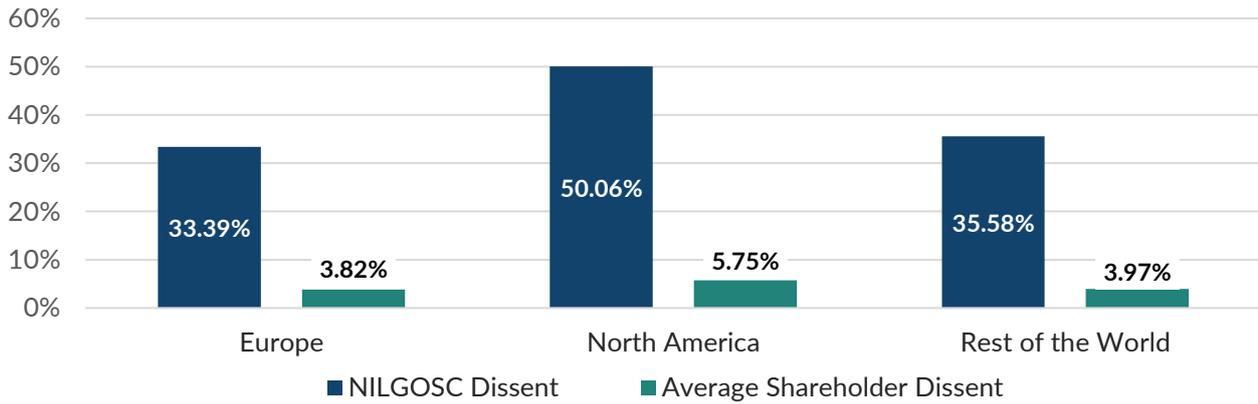
Table 3 shows the most common categories of resolutions at meetings voted at the companies within the NILGOSC portfolio on an annual basis. Minerva calculates the average dissent figure by aggregating all the poll data (expressed in terms of percentage of votes cast 'For') on all resolutions of that type, then dividing the aggregate figure by the number of resolutions. In most cases, this gives an accurate statistical indication of the dissent that a typical resolution type attracts, relative to others.

Table 3: Annual NILGOSC Dissent by Resolution Category

RESOLUTION CATEGORY	TOTAL NUMBER OF RESOLUTIONS PROPOSED	NILGOSC DISSENT	AVERAGE SHAREHOLDER DISSENT*
Audit & Reporting	287	72.82%	2.28%
Board	1695	36.92%	4.59%
Capital	232	20.69%	2.37%
Charitable Activity	7	0.00%	1.02%
Corporate Actions	51	5.88%	3.14%
Other	9	100.00%	-
Political Activity	8	75.00%	15.49%
Remuneration	296	73.65%	8.23%
Shareholder Rights	136	30.88%	8.44%
Sustainability	119	73.11%	11.75%
TOTAL	2840	43.94%	5.03%

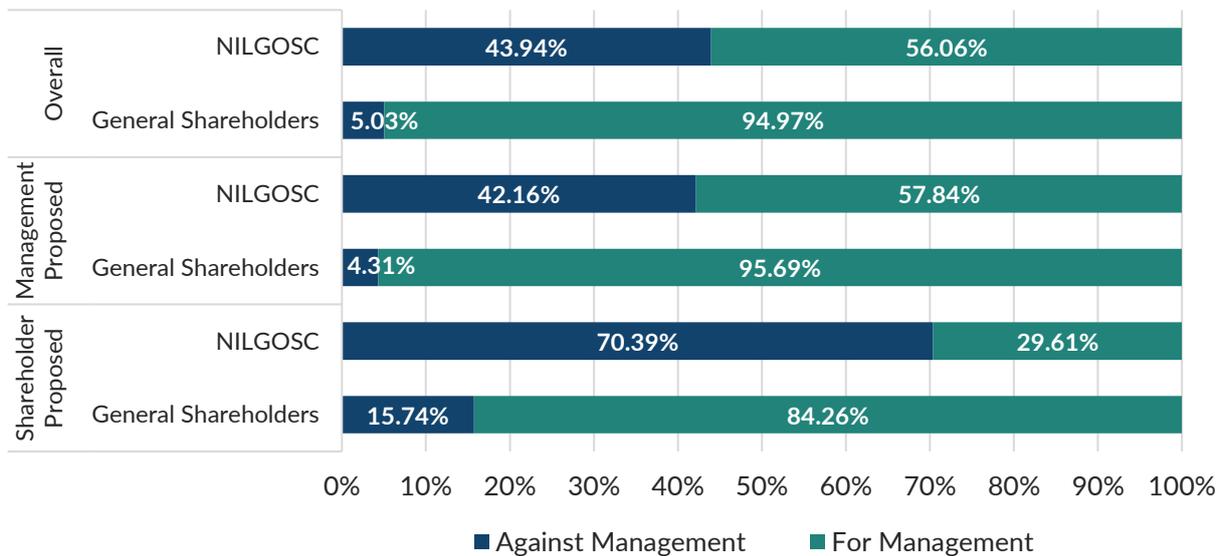
* Average Shareholder Dissent calculated from resolutions in respect of which shareholder voting results were available. No poll data was collected for nine Any Other Business resolutions in the 'Other' category, as no shareholders proposed an agenda item for consideration.

Figure 1: NILGOSC Dissent by Region



In some global markets, poll data is made available to a lesser degree by companies, although Minerva is seeing a gradual improvement. In markets where it is not compulsory to report meeting results, companies may choose not to do so. As of August 2025, Minerva has been able to collect poll data in respect of 98% of all resolutions.

Figure 2: NILGOSC Dissent by Resolution Proponent



When looking at the general average dissent levels (i.e., the meeting results data), it is clear that shareholders in general support management to a considerable extent. Recent developments indicate that shareholders are ‘picking’ their battles, resulting in a small number of high-profile significant dissent levels and lower overall dissent levels. Additionally, there has been declining support on shareholder-proposed resolutions due to a changing regulatory and political environment and increased volume and varied focus of shareholder resolutions. Average dissent across all resolutions was 5.03% - in other words, an approval rating of around 95%. In terms of management-proposed resolutions, general shareholder dissent stood at 4.31% whereas, for shareholder-proposed resolutions, it stood at a much higher level of 15.74%. This shows that shareholders are more likely to oppose management by supporting a shareholder-proposed resolution than by opposing a management-proposed resolution.

The data shows that NILGOSC is much more active in expressing concerns through its votes at corporate meetings than the average shareholder, voting against management recommendation on 1,247 occasions, which constitutes an overall average opposition level of 43.94% (excluding two resolutions where management provided no recommendation). As with the general shareholder pattern, NILGOSC’s dissent figure for shareholder-proposed resolutions were higher than that for resolutions proposed by management, 70.39% compared to 42.16%. It is recognised that public sector pension funds do tend to have a much higher propensity to oppose management on resolutions than the general shareholder average.

4. EUROPE

4.1 SUMMARY

- During the reporting period, there were 37 shareholder meetings in the Europe region held by 31 companies, resulting in 619 resolutions.
- NILGOSC voted in opposition to management on 206 (33.39%) of 617 management proposed resolutions (excluding the two resolutions management provided no recommendation on).
- There were no shareholder resolutions voted on in the Europe region and all management-proposed resolutions passed with majority support during the review period.

4.2 DISSENT BY RESOLUTION CATEGORY

Table 4 notes the number of resolutions opposed by NILGOSC as a percentage by resolution category.

Table 4: NILGOSC Dissent by Resolution Category in the Europe region

CATEGORY	RESOLUTIONS	NILGOSC DISSENT	AVERAGE SHAREHOLDER DISSENT*	NILGOSC ACTION
Board	290	32.29%	3.38%	Over 97% of NILGOSC's oppositional votes concerned director elections and the discharge of directors from liability.
Capital	103	20.39%	3.27%	NILGOSC opposed 23.40% of share issue authorities, 31.82% of share buyback authorities and one authority to reissue treasury shares. NILGOSC also opposed two dividend and appropriation of profits approvals due to concerns with dividend cover.
Remuneration	89	49.44%	8.07%	NILGOSC opposed 73.33% of remuneration reports and 66.66% of remuneration policies voted on. NILGOSC also voted against 55.56% of resolutions to approve the amount to be paid to an individual executive director.
Audit & Reporting	73	41.10%	0.67%	NILGOSC voted against 55.88% of auditor (re-)elections and 39.29% of report & accounts resolutions.
Shareholder Rights	38	23.68%	4.44%	NILGOSC voted against nine resolutions seeking approval to amend the articles in order to authorise the board to hold virtual-only general meetings.
Corporate Actions	9	0.00%	5.37%	NILGOSC voted in line with management on all corporate actions-related resolutions.
Other	8	100.00%	-	NILGOSC opposed resolutions to approve any other business. As no shareholders proposed any other agenda items for consideration at the meetings, the resolutions were withdrawn.
Sustainability	6	0.00%	3.90%	NILGOSC voted in line with management on all sustainability-related resolutions.
Political Activity	3	33.33%	2.66%	NILGOSC voted against one request for an authority to incur political expenditure due to the company making direct contributions (rather than political spending) to political parties.

* Based on NILGOSC portfolio and voting results availability.

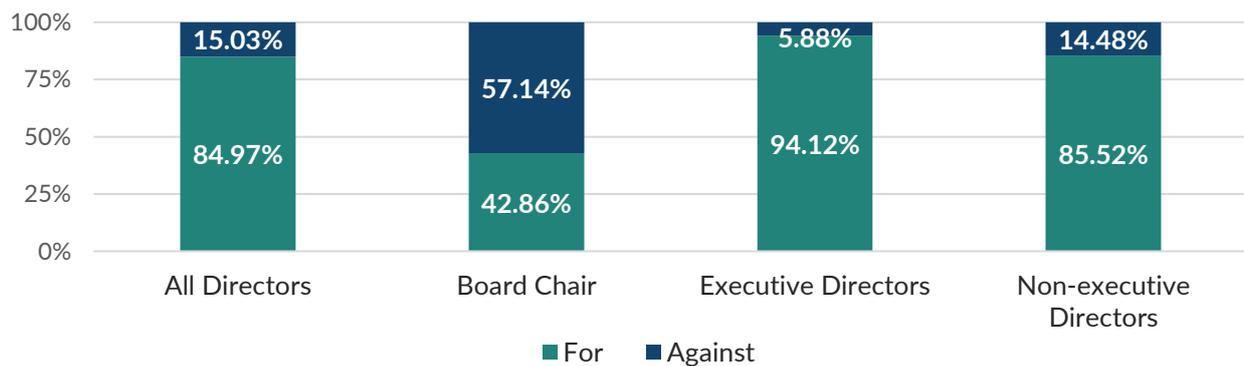
4.3 BOARD

In the Europe region, there are a number of different board compositions. The table below sets out different governance principles for each:

Table 5: Europe Region Board Structures

BOARD STRUCTURE	COMMENTS
UNITARY BOARD	A single board comprising both executive and non-executive directors. This system is prevalent in France, Spain, and Italy. Some Scandinavian markets operate a unitary board, with only non-executives on the board.
DUAL BOARD	The two-tier system, found typically in Germany and Austria, is also widespread in Denmark, Finland, Netherlands, Norway, Poland, and Switzerland. This system consists of a supervisory board of non-executives and a separate management board of executives. In the Austrian and German markets, amongst others, the supervisory board must consist of both employee representatives and directors elected by shareholders.
ITALIAN SYSTEM	Italian companies may choose a system comprising a board of directors and a board of statutory auditors. The board of statutory auditors undertakes monitoring functions, including: adherence to company law and the company's articles; the adequacy of the company's organisational structure; and the implementation of corporate governance arrangements. They are responsible for supervising the financial reporting, internal control, and risk management systems.

Figure 3: NILGOSC Director Elections voting direction in the Europe region



4.3.1 Board Chairs

NILGOSC voted against 57.14% of board chair elections in the Europe region. The most common policy concerns related to board operational factors such as no disclosure to indicate that a board performance evaluation was undertaken during the year, a lack of regular external board performance evaluation, and no disclosures to indicate non-executive-only meetings were held without executive directors present. NILGOSC also voted against the election of a board chair where independence concerns were held with the nominee and/or where the nominee held significant additional commitments, raising concerns as to whether the nominee would be able to meet the time commitments expected of the board chair role. NILGOSC voted against the (re-)election of executive directors in instances where the nominee was a new male board appointment and there was no female representation on the board. The average dissent for board chairs and executive director (re-)elections was 5.49% and 1.32% respectively.

4.3.2 Non-Executive Directors

NILGOSC voted against 14.48% of non-executives standing for (re-)election, where the average general shareholder dissent was 3.46%. The common reasons for NILGOSC's oppositional votes were concerns regarding a non-executive director's independence and composition of the board and/or a board committee, where the director served on a committee and there were concerns with the committee's functioning, or where a nominee held a significant number of other directorships, thereby raising aggregate time commitment concerns.

Table 6: High Shareholder Dissent – Directors in the Europe region

COMPANY	COUNTRY	DIRECTOR	DISSENT	OUTCOME	NILGOSC VOTE	COMMENTS
DSV AS	Denmark	Tarek Sultan Al-Essa	29.83%	Passed	Abstain	The nominee held a significant number of other directorships.
Capgemini SE	France	Jean-Marc Chery	27.20%	Passed	Against	The nominee held a significant number of other directorships.
SGS SA	Switzerland	Ian Gallienne	21.83%	Passed	Against	The nominee held a significant number of other directorships and there were independence concerns.
Geberit AG	Switzerland	Felix Ehrat	20.64%	Passed	Against	The nominee was considered non-independent and was a member of the audit committee.

4.4 REMUNERATION

Across the Europe region, shareholder approvals on remuneration differ widely between markets. The EU Shareholder Rights Directive II introduced new ‘say-on-pay’ rules including an annual advisory vote on the remuneration report and a vote on the remuneration policy at least every four years. Member States have the discretion to decide whether the policy vote will operate on a binding or advisory basis. Notably, France has opted to make the remuneration report a binding vote. The revised directive also states that the remuneration policy should contribute to the company’s overall business strategy, long-term interests, and sustainability. Member states had until June 2019 to transpose the directive into law, and the legislative changes have resulted in an increased number of remuneration resolutions in the region with varying approaches.

4.4.1 Remuneration Reports and Remuneration Policies

NILGOSC opposed 73.33% of remuneration reports and 66.66% of remuneration policies voted on in the Europe region. The average general shareholder dissent was 10.12 % and 10.88% respectively.

Table 7: High Shareholder Dissent – Remuneration Reports and Remuneration Policies in the Europe region

COMPANY	COUNTRY	DISSENT	OUTCOME	NILGOSC VOTE	COMMENTS
Airbus SE (Policy)	Spain	36.37%	Passed	Against	Concerns included a weak alignment of directors’ and shareholders’ interests, incomplete disclosure of performance conditions, overlapping metrics between incentive plans, the high level of incentive pay available, incentive pay being pensionable, and potentially excessive severance arrangements
Bayer AG (Report)	Germany	32.75%	Passed	Against	Concerns included incomplete disclosure of performance conditions, lack of disclosure on the CEO’s salary rate, a lack of disclosure regarding severance provisions and the high level of incentive pay available.
Allianz SE (Policy)	Germany	29.11%	Passed	Against	Concerns included a weak alignment of directors’ and shareholders’ interests, incomplete disclosure of performance targets, potentially excessive severance provisions, the high level of incentive pay available and concerns regarding the alignment of pay with performance.

4.5 AUDIT & REPORTING

4.5.1 Reports & Accounts

NILGOSC opposed 39.29% of resolutions to approve the report & accounts in the Europe region, where the average general shareholder dissent was 0.52%.

The common issues contributing to NILGOSC's oppositional votes were cases where NILGOSC considered the level of sustainability disclosure provided by a company to be inadequate, where political donations had been made without shareholder approval, where there was a lack of disclosure on the board evaluation process in place, and/or a lack of disclosures to indicate that non-executive-only meetings took place.

4.5.2 Auditor Elections

NILGOSC opposed 19 of 34 (55.88%) auditor (re-)election resolutions in the Europe region. The most common reasons for opposition related to instances where there was no disclosure to indicate the external auditor has taken account of climate risks in their report, and concerns regarding the disclosure provided on non-audit fees and services. Auditor (re-)election resolutions received average shareholder dissent of 0.88% in the Europe region.

4.6 CAPITAL

4.6.1 Capital Authorities

NILGOSC opposed 23.40% of share issue authorities sought in the Europe region, and such resolutions received average shareholder dissent of 5.36%. The regulatory systems on share issues differ widely between markets, with multiple authorities often sought in France – each for a different purpose. In Austria, Switzerland and Germany, authorities to issue shares and to disapply pre-emption rights are often combined into one resolution, although there may be multiple resolutions as authorities relate to specific types of share issuance and capital types.

The most common reasons for dissent were: when the overall ceiling with respect to share capital increases without pre-emption rights exceeded NILGOSC's policy guidelines (20% of the share capital); and/or where the duration of the authority was considered too long (more than three years).

NILGOSC opposed 31.82% of resolutions allowing companies to make market purchases of their own shares. Concerns regarding creeping control, the duration of the authority and maximum purchase price and/or authority size were the factors for NILGOSC's oppositional votes. The average general shareholder dissent on share buybacks was 2.85%.

NILGOSC also opposed two resolutions to appropriate profits and/or to approve the dividend for the financial year due to concerns that the dividend was too high in comparison to profits, thereby raising concerns over capital allocation strategy.

4.7 SHAREHOLDER RIGHTS

4.7.1 Articles of Association

NILGOSC voted against nine resolutions put forward by a company seeking to amend the articles of association in order to authorise the company to hold virtual-only general meetings. While NILGOSC is generally supportive of introducing the ability to convene hybrid meetings, it believes that virtual-only general meetings should only be held in exceptional circumstances. NILGOSC voted against proposed articles to enable virtual-only general meetings where the article did not include a clause restricting the use of virtual-only meetings only when a physical meeting is not possible due to health & safety concerns or other similar exceptional circumstances.

5. NORTH AMERICA

5.1 SUMMARY

- During the reporting period, NILGOSC voted at 129 company meetings held by 123 North American companies. The region had the highest number of resolutions (1,732) and number of events (129) voted.
- NILGOSC voted in opposition to management on 744 (47.57%) of 1,564 management proposed resolutions.
- Four management proposed resolutions opposed by NILGOSC were voted down by shareholders during the period. The resolutions related to the approval of Molina Healthcare Inc and Warner Bros Discovery Inc's remuneration reports and director elections at Netflix Inc and Phillips 66.
- NILGOSC voted 'For' on 123 (73.21%) of 168 shareholder proposals.
- NILGOSC supported four successful shareholder proposals during the period. The successful proposals were as follows: one proposal requested enhancements to the shareholder ability to call special general meetings; one asked for the adoption of annual director elections; one asked for the introduction of the shareholder right to act by written consent; and one requested enhanced reporting on company political expenditure.

5.2 DISSENT BY RESOLUTION CATEGORY

Table 8 below shows the number of resolutions opposed by NILGOSC as a percentage by resolution category.

Table 8: NILGOSC Dissent by Resolution Category in the North America region

RESOLUTION CATEGORY	RESOLUTIONS	NILGOSC DISSENT	AVERAGE SHAREHOLDER DISSENT*	NILGOSC ACTION
Board	1208	39.24%	4.30%	Over 98% of NILGOSC's opposing votes concerned director elections. NILGOSC supported 7 of 14 shareholder proposals.
Remuneration	176	87.50%	9.39%	NILGOSC voted against 99% of remuneration reports and all Long-term Incentive Plan (LTIP) resolutions. NILGOSC supported 11 of 14 shareholder proposals.
Audit & Reporting	132	93.18%	4.20%	NILGOSC voted against 96.75% of auditor elections and 60% of report & accounts approvals.
Sustainability	112	77.68%	12.26%	All but two sustainability resolutions were proposed by shareholders. NILGOSC supported 77.27% of the shareholder proposals. NILGOSC voted against the management resolutions due to a lack of sustainability disclosures provided by the companies in question.
Shareholder Rights	60	31.67%	14.75%	NILGOSC opposed four management-proposed resolutions due to potential negative impacts on shareholder rights if the item was adopted. NILGOSC supported 15 of 19 shareholder proposals seeking enhanced governance and shareholder rights practices.
Capital	25	16.00%	4.95%	NILGOSC voted against two share buyback authorities and two share issue authority requests.
Corporate Actions	9	0.00%	5.67%	NILGOSC voted in-line with management on all corporate actions-related resolutions.
Political Activity	5	100.00%	23.19%	NILGOSC supported five shareholder proposals seeking enhanced reporting on political expenditure and/or lobbying.
Charitable Activity	4	0.00%	1.70%	NILGOSC voted in-line with management on all charitable activity-related resolutions.
Other	1	100.00%	-	NILGOSC opposed a resolution to approve any other business.

*Based on NILGOSC portfolio and voting results availability.

Companies in the US are incorporated in individual states, as each US state has its own company law. This means there is no independent national corporate governance code, like, for example, the Financial Reporting Council's UK Corporate Governance Code. Companies in the US are therefore subject to a much higher potential variance of general governance standards compared with other developed markets, which partly explains why NILGOSC's dissent was higher in the North American region as compared to the Europe region.

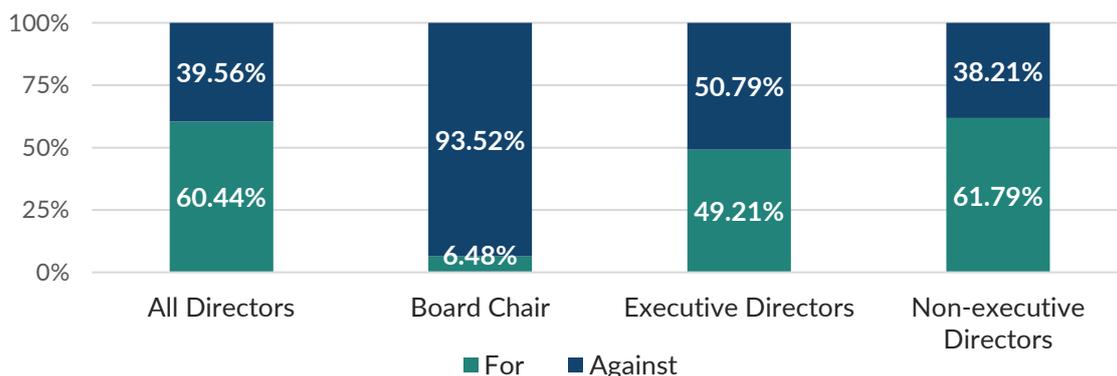
5.3 BOARD

The US Council of Institutional Investors (CII) Corporate Governance Policies and guidance published by the Canadian Coalition for Good Governance (CCGG) recommend that at least two-thirds of the board should comprise independent directors. NILGOSC will vote against non-independent directors if the board falls short of this level of independent representation.

Some 76.34% of resolutions in North America proposed by management dealt with the board, as did 8.33% of shareholder-proposed resolutions.

Good practice recommends that directors in uncontested elections be elected by a majority of the votes cast, and that plurality voting apply to contested elections. An election is contested when there are more director candidates than there are available board seats. It is common in the US market for shareholders to put forward resolutions requesting a change in the method of voting used on director elections with the majority vote standard generally considered best practice. It is also considered good practice for directors to stand for (re-)election annually, although several North American companies still appoint directors on three-year terms.

Figure 4: NILGOSC Director Elections voting direction in the North America region



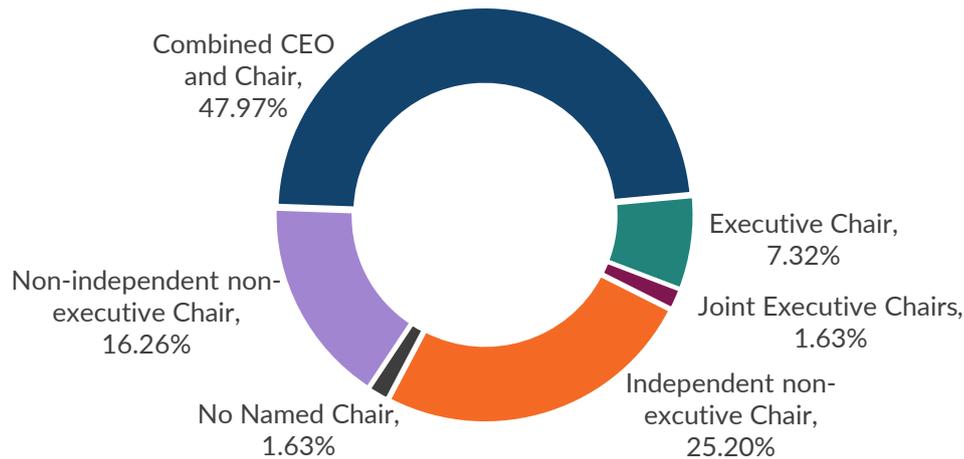
5.3.1 Executive Directors and Board Chairs

NILGOSC opposed 93.52% of board chair elections and 49.21% of executive director elections. The two most common reasons for opposing the election of a board chair and/or executive director were independent leadership concerns, typically due to: combined chair and chief executive officer (CEO) roles, and/or the chair serving in an executive capacity; as well as due to Minerva's Say on Sustainability Grade. The average general shareholder dissent on the elections of chairs and executive directors was 5.70% and 3.86% respectively.

The board's role is to hold the executive management accountable, and accordingly, NILGOSC believes that the board chair should be seen as a separate role from that of an executive director with operational responsibilities. The CII Policies recommend that the board should be chaired by an independent director, and the CEO and chair roles should be combined only in very limited circumstances. If combined, the board should name a lead independent director to ensure a structure that provides an appropriate balance between the powers of the CEO and those of the independent directors.

While the number of companies separating the roles of board chair and CEO has grown over the years, 47.97% of companies in North America voted by NILGOSC combine the roles. Whilst 41.46% of companies had a non-executive chair, 39.22% of the non-executive chairs had a potential independence issue identified, such as being a former executive or having long tenure. Two companies did not have a named board chair at the time of voting (Datadog Inc and NVIDIA Corp), and two companies had joint chairs (Charles Schwab Corp had joint executive chairs, whilst Cloudflare Inc had a joint executive chair, and a joint executive chair and CEO).

Figure 5: NILGOSC Board Chair Independence in the North America region



5.3.2 Non-executive directors

NILGOSC opposed 39.56% of non-executive director (re-)elections. NILGOSC primarily voted against non-executives where independence issues were identified with the director and the board, or where a board committee was considered insufficiently independent. Both NILGOSC and Minerva apply tenure of 15 years as an additional criterion when assessing independence in North America, resulting in a stricter policy application than the typical US and Canadian standards. Shareholder dissent on non-executive director (re-)elections averaged 3.98%.

NILGOSC voted against 53.73% of lead independent director (re-)elections. The vast majority of cases were due to the nominee being considered non-independent or where the nominee chaired a committee and concerns were held with the committee's oversight functions, such as remuneration structure and disclosure issues. Lead independent director (re-)elections received average dissent of 7.01%.

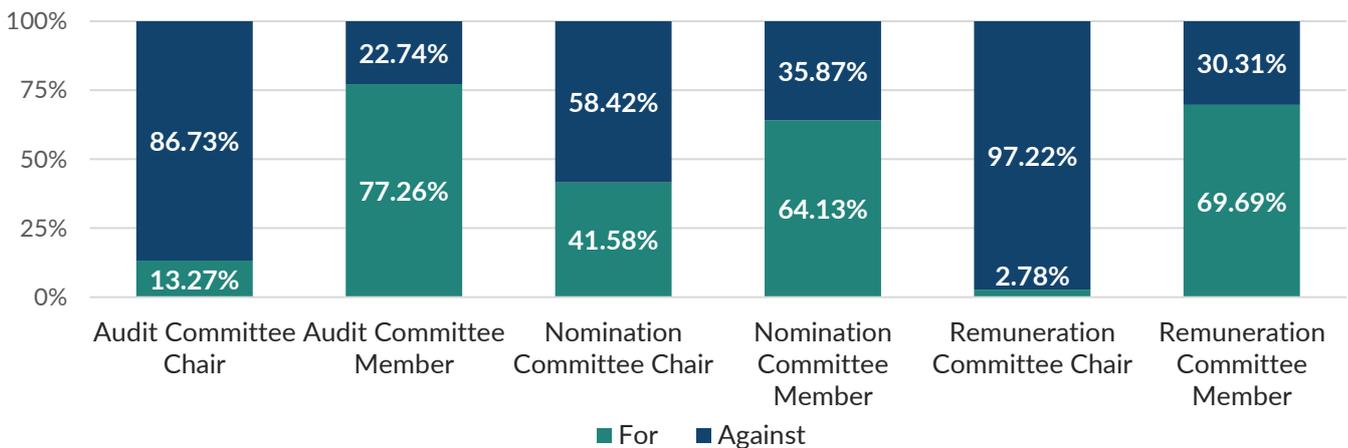
Table 9: High Shareholder Dissent – Directors in the North America region

COMPANY	DIRECTOR	DISSENT	OUTCOME	NILGOSC VOTE	COMMENTS
Netflix Inc	Jay Hoag	78.51%	Defeated	Against	The nominee was considered non-independent and served as lead independent director and as Chair of the Nomination Committee, and the Board was insufficiently independent
Enphase Energy Inc	Thurman Rodgers	61.31%	Successful Candidate*	Withhold	The nominee served as Chair of the Remuneration Committee and ongoing concerns were held with remuneration.
Phillips 66	John Lowe	57.73%	Unsuccessful Candidate	Withhold	The nominee served as Chair of the Audit Committee and concerns were held with auditor independence.
CME Group Inc	Phyllis Lockett	40.93%	Passed	Against	The nominee served as Chair of the Nomination Committee and there were concerns about Board independence and diversity.
Expeditors International of Washington Inc	Brandon Pedersen	35.68%	Passed	Against	The nominee served as Chair of the Audit Committee and concerns were held with auditor independence.

* Whilst Mr. Rogers failed to receive a majority of the votes cast, he received the required plurality of votes to be elected to serve on the board.

5.3.3 Board Committees

Figure 6: NILGOSC Board Committees voting direction in the North America region



As Figure 6 shows, NILGOSC is generally more likely to vote against the chair of a committee rather than its individual members. The chair of a committee is more likely to be held accountable and responsible where governance concerns are highlighted relating to the committee's remit. The average general shareholder dissent for the (re-)election of committee chairs was 6.22%; with audit committee chairs receiving 4.49%; nomination committee chairs 8.09%; and remuneration committee chairs 6.26%.

- *Audit Committee* - NILGOSC opposed the (re-)election of chairs and members of audit committees in instances where the nominee was considered non-independent, having considered explanations from the company. In addition, NILGOSC held committee chairs accountable in instances where concerns were held with the external auditor's tenure and independence.
- *Nomination Committee* - NILGOSC holds the chairs of nomination committees accountable for board composition concerns, including a lack of independence and a lack of gender diversity. NILGOSC also voted against chairs and members of nomination committees where the nominee was considered non-independent, and the committee was insufficiently independent.
- *Remuneration Committee* - NILGOSC opposed the (re-)election of chairs and members of remuneration committees in instances where the nominee was considered non-independent, having considered explanations from the company. NILGOSC also registered dissent on committee chairs where significant concerns were held with remuneration practices, particularly if there was no 'say-on-pay' resolution at the AGM. Due to market practice in North America differing from a UK investor's perspective on remuneration good practice, NILGOSC voted against over 97% of remuneration committee chairs.

5.4 REMUNERATION

In the US, a 'say-on-pay' advisory vote is taken on the remuneration of the top named executive officers of the company – the CEO, the Chief Financial Officer, and at least the three other most highly compensated executives. The entitlement of the executives to remuneration is not conditional upon the approval of this resolution. However, most companies that have previously received significant levels of dissent have taken remedial steps. The vote takes in both forward-looking policy and the details of the amounts paid in respect of the year.

This is a different approach to the UK market, where the remuneration report is voted on to approve the remuneration of all directors (although none below board level). By contrast, there is no regular opportunity available to vote on non-executive director remuneration in North America.

US companies are required to have a 'say-on-pay' vote at least every three years, with the frequency to be voted on by shareholders. The 'say-on-pay' frequency resolution is non-binding and must be submitted to a vote at intervals of no more than six years. The options are to hold 'say-on-pay' votes on an annual, biennial,

or triennial basis. The resolution has majority requirements, with the frequency receiving the most votes in favour considered to be passed.

Due to the cyclical nature of the frequency votes, only five companies held a vote during the year compared to 17 in the previous year. NILGOSC voted in accordance with good practice recommendations and supported the annual frequency in all cases. Four of the companies recommended shareholders to support an annual frequency, and the annual frequency option was successful in each case. The exception to this was at Meta Platforms Inc, with Meta's board recommending a triennial frequency. The triennial frequency passed at Meta in part due to the company's dual class share structure, which gives CEO and founder Mark Zuckerberg around 61% of the voting rights

5.4.1 Remuneration of Named Executive Officers ('Say-on-Pay')

North American remuneration policies typically contain many practices viewed as unacceptable in other markets, such as in the Europe region. This divergence in practice resulted in NILGOSC opposing 99% of remuneration reports in the region. Based on company disclosures, there was an average dissent of 9.79% on remuneration report approvals.

NILGOSC incorporates consideration of the Minerva Total Remuneration Assessment when voting on executive remuneration. The Minerva Total Remuneration Assessment looks at four key policy elements of executive reward: alignment, quantum, contracts, and dilution. Companies are assigned a grade on a scale of 'A' to 'F' and NILGOSC will vote against companies assessed as having poor remuneration governance.

This year NILGOSC voted against two say-on-pay votes in the region that were voted down by shareholders, (which is up from one in the previous reporting period).

Table 10: High Shareholder Dissent – Remuneration Reports in the North America region

COMPANY	DISSENT	OUTCOME	NILGOSC VOTE	COMMENTS
Warner Bros Discovery Inc	59.61%	Defeated	Against	Concerns included the overall remuneration structure, lack of responsiveness to previously expressed shareholder concerns, the alignment of executive pay with corporate performance, and pay ratio concerns.
Molina Healthcare Inc	59.42%	Defeated	Against	Concerns included the overall remuneration structure, the grant of one-off retention awards during the year, and pay ratio concerns.
Shopify Inc	37.67%	Passed	Against	Concerns included the overall remuneration structure, concerns regarding the lack of formal performance conditions for incentive pay granted during the year and a short vesting period, a high dilution limit in place for incentive pay, and pay ratio concerns.
American International Group Inc	34.99%	Passed	Against	Concerns included the overall remuneration structure, the alignment of executive pay with corporate performance, a lack of responsiveness to previously expressed shareholder concerns and pay ratio concerns.
Bank of America Corp	26.74%	Passed	Against	Concerns included the overall remuneration structure, the discretionary approach to short-term incentive awards and pay ratio concerns.

5.4.2 Incentive Pay

Approval (or re-approvals) of Long-term Incentive Plans (LTIPs) attracted average general shareholder dissent across the market of 11.33%. NILGOSC voted against 100% of LTIP resolutions. Five companies received over 20% shareholder dissent: Bank of America Corp, Enphase Energy Inc, Meta Platforms Inc, NetApp Inc and Trade Desk Inc. The most common issues for NILGOSC's oppositional votes were: a short vesting period and/or performance period; non-executive directors being eligible to participate in the scheme; the scheme allowing for the vesting of awards on favourable terms in the event of a change of control i.e., where options would vest without reference to performance; and awards could partially vest for below-median performance.

5.5 AUDIT & REPORTING

5.5.1 Auditor Elections

There is no legal requirement for an auditor election to be put to a shareholder vote in most US states, but increasing numbers of companies seek the ratification of the auditor appointment, seeing it as good practice.

Auditor (re-)election resolutions attracted average shareholder dissent of 4.45% and NILGOSC voted against 96.75% of such resolutions. The most common policy issue related to auditor tenure and no recent, or planned, audit tender. Unlike other markets, such as in Europe, there are no regulatory requirements in the US or Canada on mandatory audit rotation, resulting in a number of companies having the same auditor in place for an extended period of time. Another common concern was that there was no disclosure to indicate the external auditor had taken account of climate risks in their report. It is increasingly expected for auditors to demonstrate consideration of material climate-related matters, such as the impact of emissions reduction targets, changes to regulations, or declining demand for company products, in their audits of company financial statements.

5.5.2 Reports and Accounts

Only five report & accounts resolutions were proposed in the North America region, which was due to the jurisdiction of incorporation and relevant legal requirements of the companies in question. A number of US-listed companies are incorporated in the Europe region and are therefore required to submit their report & accounts for approval. The resolutions received average dissent of 0.40% and NILGOSC opposed three of the report & accounts approvals, due to concerns regarding sustainability disclosures, no say-on-pay resolution included on the meeting agenda or due to governance concerns, such as lack of individualised attendance disclosure for board/committee meetings and/or no nomination committee established.

5.6 SHAREHOLDER PROPOSALS

Shareholder proposals are resolutions put forward by shareholders who want the board of a company to implement certain measures, for example, around environmental, social and governance (ESG) practices. Although they are generally not binding, they are a powerful way to advocate publicly for change on policies, such as climate change. NILGOSC voted on 168 shareholder resolutions in the North America portfolio during the reporting period. This compares to 184 in 2024, 138 in 2023, 166 in 2022 and 64 in 2021.

Shareholder proposals are a more prominent feature of the North America market as compared with the Europe region. There are a number of reasons for this difference.

- (I) Regulatory rules are more open to shareholder proposals than company law.
- (II) In the absence of an independent national corporate governance code (e.g., the UK Corporate Governance Code), shareholders use resolutions as a tool to try and improve corporate governance practices at companies.
- (III) Not all countries have a culture of direct shareholder communication and dialogue.

NILGOSC values the right of shareholders to submit proposals to company general meetings. NILGOSC will vote in favour of shareholder proposals that promote good corporate citizenship while enhancing long-term shareholder value, sustainability, and good governance. NILGOSC will vote against shareholder proposals that are misaligned with these principles and proposals that, in its assessment, are considered duplicative of existing company disclosure, practice and policy, or are too prescriptive and seek to micromanage the company.

When reviewing shareholder voting on shareholder proposals, it is important to consider a number of recent trends:

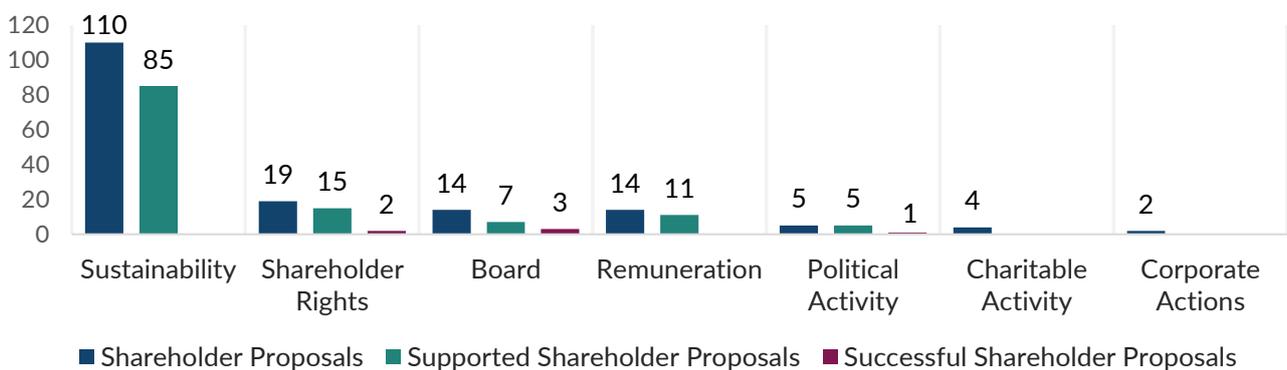
- **Regulatory Uncertainty:** Due to changes in the SEC's legal guidance in 2021, which expanded the scope of permissible shareholder proposals, there was an increase in the number of proposals submitted to a vote, particularly on environmental and social issues. In 2025, this increase has started

to reverse, driven by the SEC’s SLB 14M guidance, which rescinded the 2021 expansion, resulting in increased no-action relief sought by companies to exclude proposals from meeting agendas.

- Anti-ESG Proposals:** The number of “anti-ESG” shareholder proposals seeking to scale back company initiatives around diversity, equity & inclusion (DEI) and climate change has increased. Whilst the proposals have increased in volume, they have failed to gain traction and receive low levels of support. Support for these proposals remains at around 2%, which is less than the 5% support threshold required for resubmission, and contributes to the lower overall support on shareholder proposals.
- Political Uncertainty:** Amidst regulatory and geopolitical uncertainty, there has been a rebound in support for proposals on governance factors such as majority voting and the shareholder right to call meetings (whilst at the same time, support on environmental and social proposals has fallen. The increased rhetoric and legislation around ESG may be contributing to the lower levels of support on ESG proposals as institutional investors may be more cautious with their votes, wishing to avoid attention and targeting by politicians and lobby groups. Large US asset managers have faced legal challenges on ESG-related activity and SEC staff guidance on Regulation 13D-G introduced additional reporting requirements for investors if they engage on ESG topics, which led to a pause in engagement from some asset managers.
- Proposal Focus:** As environmental and social issues are increasingly recognised as material and disclosure frameworks are developed, company disclosure has improved, which has led to more granular and prescriptive proposals focusing on specific company practices and seeking more specific disclosures.
- Alternative Engagement Tactics:** Shareholder activists are increasingly pursuing alternative tactics to push for change such as the use of “vote no” campaigns targeting directors deemed accountable for ESG failures, or the use of proxy contests to change the composition of boards.

Nonetheless, shareholder proposals are an important corporate engagement mechanism that can push for improvements in how a company manages ESG risks and opportunities, drive progress on sustainability outcomes and a company’s influence on systemic issues and bring about wider industry and market change. They allow investors to use their formal rights as owners to escalate important matters in a public and transparent way, and to directly interact with a company’s board. This year, despite the changing proposal environment noted above, shareholders continued to put forward proposals on sustainability concerns, with proposals on human rights & workforce and environmental practices (including climate change) being the most numerous.

Figure 7: Number of Shareholder Proposals in the North America region



This year, shareholder proposals received a lower level of average support than in the previous year, with average support (i.e., votes cast in favour) of 15.42% compared to 18.28% in 2024 and 20.32% in 2023 – representing a year-on-year decline. NILGOSC supported four successful proposals, representing 2.38% of all shareholder proposals voted. In the previous reporting period, NILGOSC supported nine successful proposals out of 184 proposals (4.89%). Notably, all successful proposals in 2025 related to governance issues such as shareholder rights, political expenditure transparency and board composition.

Two shareholder-proposed director candidates proposed by Elliot Investment Management at Phillips 66 as part of a proxy contest were successful. Elliot proposed four candidates and recommended shareholders to vote against four of Phillips 66's own director candidates. NILGOSC did not support Elliot's director candidates and supported the board's nominees.

Table 11: Shareholder Proposals in the North America region

<p>Sustainability</p>	<p>In the Sustainability category, there were 110 shareholder proposals with 64 relating to human rights & workforce issues. These proposals covered topics such as gender & ethnic pay gap reporting, employee diversity disclosure, racial equity audits, human rights policy and practices, worker rights and the potential risks of development and deployment of artificial intelligence, and NILGOSC supported 45 of them. The human rights & workforce-related proposals received average support of 10.14%.</p> <p>There were 39 proposals concerning environmental practices, of which NILGOSC supported 34. These proposals covered topics such as climate change, biodiversity, water risk management and the use of plastics. The environmental proposals received 13.60% average support.</p> <p>The remaining proposals covered various ESG issues, including animal welfare, country-by country tax reporting and public health impact. NILGOSC supported six of the seven remaining proposals in this category.</p> <p>No sustainability-related shareholder proposal was successful in the year under review. This compares to zero in 2024 and three in 2023. Sustainability-related proposals received average votes in favour of 11.28%, with a proposal seeking enhanced disclosure on General Mills Inc's plastic packaging waste practices receiving the highest level of support at 38.88%.</p>
<p>Political Activity</p>	<p>There were five proposals on political activity, namely enhanced disclosure on political donations and/or lobbying. The political activity proposals received average shareholder support of 22.26%. NILGOSC supported all five and one proposal was successful; a request filed at CBOE Global Markets Inc asking for enhanced reporting on the policies and procedures for making political expenditure and the disclosure of monetary and non-monetary contributions and expenditure for political purposes on a semi-annual basis.</p>
<p>Remuneration</p>	<p>There were 14 remuneration-related shareholder proposals; such resolutions averaged 12.65% support, and none were successful. NILGOSC supported 11 proposals; five proposals asking for a shareholder vote on severance pay, four asking for greater consideration of employee pay when setting executive compensation, and two asking for strengthened clawback provisions. NILGOSC voted against three anti-ESG proposals asking for the removal of ESG-related performance conditions from executive incentive pay and these proposals averaged 1.27% support.</p>
<p>Shareholder Rights</p>	<p>The shareholder rights proposals supported by NILGOSC consisted of the right for shareholders to call a special meeting (8), the shareholder right to take action by written consent (2), adoption of a recapitalisation plan to introduce the one-share one-vote principle (2), the disclosure of voting results disaggregated by class of shares at companies with a dual-class share structure (2), and the removal of supermajority voting provisions (1).</p> <p>Shareholder rights-related proposals received average support of 31.36% and two of the 19 proposals were successful. The successful proposals were: a proposal asking for the introduction of the shareholder right to take action by written consent at CDW Corp; and a proposal seeking enhanced shareholder ability to call special general meetings at Molina Healthcare Inc.</p>
<p>Board</p>	<p>Four of the board-related shareholder proposals requested the adoption of a policy requiring the chair to be an independent director. NILGOSC supported all such proposals, and they received average support of 24.60%.</p> <p>The remaining proposals concerned shareholder proposed director candidates and requests to amend director election processes, including requests for the adoption of a director resignation bylaw should a director receive an insufficient level of votes in favour. NILGOSC supported a proposal at Charles Schwab Corp asking the board to adopt annual director elections, which received majority support.</p>
<p>Charitable Activity</p>	<p>There were four shareholder proposals filed on charitable activity seeking enhanced transparency on charitable contributions; notably all four of the proposals were filed by anti-ESG organisations criticising companies. NILGOSC voted against all four proposals and the proposals received average support of 0.99%.</p>

6. REST OF THE WORLD

6.1 SUMMARY

- During the reporting period, NILGOSC voted at 46 events at 38 companies. There were 32 AGMs, 10 EGMs, three OGMs, and one Class Meeting.
- NILGOSC voted in opposition to management on 171 (35.77%) of 478 resolutions proposed by management.
- No management-proposed resolutions in the Rest of the World region were defeated.
- There were 11 resolutions put forward by shareholders in the Rest of the World region during the period under review; all at Japan-listed companies. NILGOSC supported three of the shareholder proposals, and no proposal was successful in the region.

6.2 DISSENT BY RESOLUTION CATEGORY

Table 12 below notes the number of resolutions opposed by NILGOSC as a percentage by resolution category.

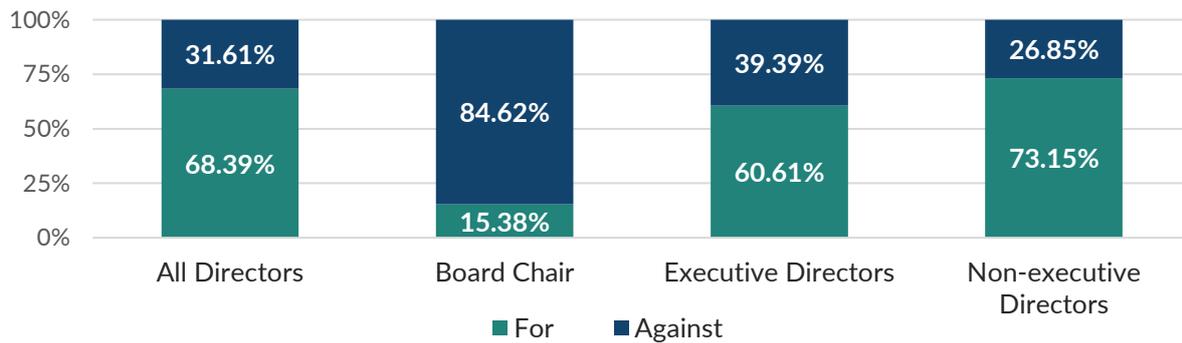
Table 12: NILGOSC Dissent by Resolution Category in the Rest of the World region

RESOLUTION CATEGORY	RESOLUTIONS	NILGOSC DISSENT %	AVERAGE SHAREHOLDER DISSENT*	NILGOSC ACTION
Board	197	29.44%	8.36%	All of NILGOSC's oppositional votes in the category related to director elections where NILGOSC had concerns with the composition of the board or with the individual director candidate.
Capital	104	22.12%	0.85%	NILGOSC opposed 85.71% of share buybacks. NILGOSC also opposed three share issue authority requests, one bond issuance authority and one dividend approval.
Audit & Reporting	82	68.29%	0.54%	NILGOSC opposed 88.89% of report & accounts resolutions and 78.95% of auditor (re-)elections.
Shareholder Rights	38	36.84%	2.48%	NILGOSC opposed 11 (35.48%) resolutions to amend the articles of association due to concerns with the level of transparency provided on the proposed amendments. NILGOSC also supported three shareholder proposals seeking amendments to articles.
Corporate Actions	33	9.09%	1.85%	NILGOSC opposed three related party transactions seeking to provide guarantees to connected parties due to concerns regarding the proposed terms.
Remuneration	31	64.52%	1.94%	NILGOSC opposed 66.66% of LTIP approvals and 57.14% of non-executive remuneration resolutions. NILGOSC also opposed 100% of resolutions to approve the total remuneration payable to an individual director during the year and 50% of resolutions to approve the aggregate remuneration payable to the board.
Charitable Activity	3	0.00%	0.11%	NILGOSC voted in line with management on all charitable activity-related resolutions.
Sustainability	1	0.00%	3.11%	NILGOSC voted in line with management on all sustainability-related resolutions.

*Based on NILGOSC portfolio and voting results availability.

6.3 BOARD

Figure 8: NILGOSC Director Elections voting direction in the Rest of the World region



NILGOSC voted against 84.62% of board chair (re-)election resolutions where shareholder dissent averaged 13.01%. The most common issues were that: the board chair was not independent, and no lead independent director had been appointed; the chair served in an executive capacity (including as combined CEO and chair); the board chair previously served as CEO; there was insufficient disclosure on board evaluation; and there was no disclosure to suggest that non-executives held meetings without the executives present.

NILGOSC typically opposed executive director (re-)elections within the Rest of the World portfolio where the nominee held an excessive number of other directorships, when the executive director also served as chair of the board and/or where the director sat on a board committee, thereby causing the committee to fall below NILGOSC's independence expectations. Executive directors averaged general shareholder dissent of 9.67%.

NILGOSC voted against non-executive directors in instances where the board and/or committee composition, subsequent to that appointment, would have fallen short of recommended local market good practice due to independence concerns. Other issues included committee-specific issues, such as the audit committee's oversight of audit fees and the nomination committee's oversight of board gender diversity, as well as over-boarding and attendance concerns. NILGOSC voted against 26.85% of non-executive directors standing for (re-)election. The average general shareholder dissent on non-executive directors was 5.92%.

NILGOSC voted against all resolutions to elect directors by way of a slate in the Rest of the World portfolio. NILGOSC considers it good practice for directors to be elected on an individual basis, rather than by way of slate, which limits individual director accountability.

Table 13: High Shareholder Dissent - Directors in the Rest of the World region

COMPANY	COUNTRY	DIRECTOR	DISSENT	OUTCOME	NILGOSC VOTE	COMMENTS
Fast Retailing Co Ltd	Japan	Masaaki Shintaku	37.90%	Passed	Against	The nominee served as Chair of the Nomination and Remuneration Committees and concerns were held with Board gender diversity and remuneration disclosure.
Bridgestone Corp	Japan	Scott Davis	29.10%	Passed	Against	The nominee served as Chair of the Board and there was no disclosed performance evaluation in place for the Board or evidence of non-executive only meetings.
Bridgestone Corp	Japan	Kenichi Masuda	24.51%	Passed	Against	The nominee served as Chair of the Nomination Committee and concerns were held with Board gender diversity.
Mahindra & Mahindra Ltd	India	Rajesh Jejurikar	20.66%	Passed	Against	The nominee held a significant number of other directorships.

6.4 REMUNERATION

The manner of shareholder “say-on-pay” varies market to market. Whilst a remuneration report vote is common in North America and Europe, it is less common in other markets. Instead of a remuneration report vote, shareholders may vote on the aggregate director fees to be paid to the board, non-executive director remuneration, long-term incentive plans, or an individual director’s contractual entitlement to remuneration. Accordingly, votes on remuneration in the Rest of the World region are less frequent and may be narrow in scope. NILGOSC did not vote on any remuneration report and/or remuneration policy approvals in the region during the period under review.

6.4.1 Level of Directors’ Fees

NILGOSC voted against 57.14% of resolutions pertaining to the level of non-executive director fees and 50% of resolutions pertaining to the aggregate limit of remuneration payable to the board of directors and/or the executive board. The most common issues were remuneration not being disclosed on an individual basis and non-executives receiving remuneration other than director fees. NILGOSC continues to push companies to provide adequate disclosures on remuneration and considers aggregate remuneration disclosures insufficient to make informed voting decisions.

6.4.2 Incentive Pay

NILGOSC voted against two of three LTIP resolutions due to concerns regarding the length of the vesting period and/or performance conditions applicable to executive awards, the level of alignment between performance criteria and a company’s reported key performance indicators and a lack of disclosure of an upper limit for individual awards. The LTIP resolutions averaged 1.18% shareholder dissent.

6.4.3 Contractual Entitlement to Pay

Companies listed in India seek shareholder approval of the contractual entitlement to remuneration of directors on an individual basis. The vote includes the total remuneration payable to the director during their term for fixed pay, including basic pay allowances, perquisites, pension contributions; and any participation in incentive pay plans. Companies seek approval of the terms when a director is elected and/or the board seek shareholder approval to amend the terms. NILGOSC voted against all eight resolutions seeking approval of contractual entitlement to remuneration. The key concerns included a lack of disclosure on the performance conditions applicable to incentive pay, the non-disclosure of the director’s notice period and where the director’s fee rate increase was assessed as excessive. The resolutions received average shareholder dissent of 1.65%.

6.5 AUDIT & REPORTING

6.5.1 Report & Accounts

NILGOSC voted against 88.89% of report & account approvals, and such resolutions averaged 0.37% dissent. The most common concerns related to an inadequate level of sustainability reporting, no say-on-pay resolution and a lack of disclosure on whether non-executive directors met independently of the executives or if a board evaluation process was in place. In a number of cases, the lack of availability of an English-language version of the annual report in advance of the AGM was a contributing factor. It remains a matter of concern for institutional investors that the annual report and meeting materials are available in English in a timely fashion ahead of the proxy voting deadline.

6.5.2 Auditor Elections

NILGOSC opposed 15 of 19 (78.95%) auditor (re-)election resolutions in the region. The most common reasons for opposition related to concerns over: tenure and no recent or planned audit tender; no disclosure to indicate the external auditor has taken account of climate risks in their report; and a lack of disclosure regarding audit and non-audit fees. Auditor (re-)election resolutions received average shareholder dissent of 1.05%.

6.6 CAPITAL

NILGOSC opposed 85.71% of proposals to allow a company to make market purchases of its own shares, and such resolutions received average dissent of 0.10%. The key issues for opposition concerned creeping control concerns in respect of a major shareholder that could see an increase in the percentage of the share capital they held, and where the maximum purchase price was considered too high.

6.7 SHAREHOLDER RIGHTS

6.7.1 Article Amendments

NILGOSC opposed 11 resolutions seeking shareholder approval to amend the articles of association. NILGOSC opposed article amendments where the company had not disclosed marked-up article changes and/or a summary of the proposed article amendments in the meeting materials, thereby limiting shareholder ability to make an informed voting decision.

NILGOSC supported three shareholder proposals seeking amendments to the articles of association. The proposals covered a range of topics and sought to insert a new article into a company's governing documents, in order to enhance transparency and/or strengthen shareholder rights.

Table 14: Shareholder Proposals in the Rest of the World region

COMPANY	COUNTRY	Proposal	SHAREHOLDER SUPPORT	NILGOSC VOTE	OUTCOME
Nippon Telegraph & Telephone Corp	Japan	To amend the Articles in relation to equal treatment of company proposals and shareholder proposals in materials for General Meetings of Shareholders and other materials	13.56%	For	Defeated
Nippon Telegraph & Telephone Corp	Japan	To amend the Articles in relation to relaxing the upper limit for the number of characters in the reason section in shareholder proposals	15.14%	For	Defeated
Secom Co Ltd	Japan	To request the board to partially amend the Articles of Incorporation regarding Action to Implement Management that is Conscious of Cost of Capital and Stock Price	13.44%	For	Defeated

7. CLIMATE DISCLOSURE

Climate change is widely recognised as financially material to investors, meaning it has the potential to significantly affect the financial performance, valuation and risk profile of companies and portfolios. Climate change has been a key issue of focus for both investors and regulators in recent years and following the Paris climate agreement, investors cannot overlook the implications for investment risks and returns amidst a shift in market sentiments towards a transition to a low-carbon economy.

Climate change is already impacting economies and markets today. The [Stern Review on the Economics of Climate Change](#) estimates that left unabated, the global costs of climate inaction are equivalent to losing between 5% and 20% of the global gross domestic product each year, now and forever. Climate action has been internationally prioritised as Goal 13 of the United Nations Sustainable Development Goals (SDGs), a framework for overcoming global challenges such as poverty and public health, all inextricably linked to climate change. A 2014 [report published by the United Nations Conference on Trade and Development](#) estimated achieving the SDGs requires a shift in global investments of US\$5 to US\$7 trillion per year until 2030, with climate-related costs of inaction valued at US\$1 trillion per year.

Climate remains a strong topic of debate in discussions between shareholders, companies, and lobbyists at company AGMs. How companies are aligning their business models to the climate goals of the Paris Agreement and responding to climate change risks and opportunities are therefore important to investors.

7.1 TCFD RECOMMENDATIONS

The G20's now disbanded Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) developed voluntary, consistent climate-related financial risk disclosures to help investors, lenders, insurers, and other stakeholders understand, measure, and respond to climate change risks. The TCFD disclosure framework and monitoring of companies' progress in disclosing climate-related information has been transferred to the International Sustainability Standards Board (ISSB) – with the ISSB's inaugural standards, IFRS1 and IFRS2, fully incorporating the TCFD recommendations. The TCFD framework recommends companies make public disclosures, i.e., in annual reports, on:

- **Governance:** The organisation's governance around climate-related risks and opportunities.
- **Strategy:** The actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.
- **Risk Management:** The processes used by the organisation to identify, assess, and manage climate-related risks.
- **Metrics and Targets:** The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

NILGOSC became a [TCFD signatory](#) in 2020, and continues to support its recommendations, encouraging the companies it is invested in to comply with them and report their climate risks under the framework. NILGOSC's corporate governance research provider Minerva Analytics Ltd is an accredited supporting company of TCFD.

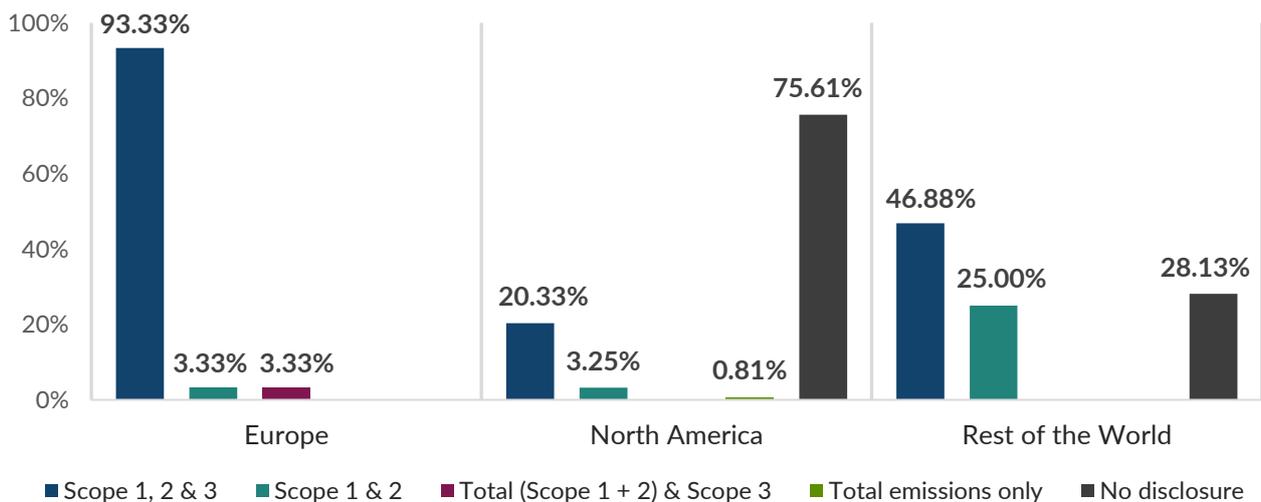
In 2025, 78.38% of the companies that held an AGM which NILGOSC voted on during the reporting period made a specific reference to the TCFD/ IFRS S2 framework. This reflects a decrease of 7.64 percentage points from 2024 (86.02%). Regionally, North America had the highest proportion of TCFD-aligned companies at 78.86%, followed by the Rest of the World at 78.13%, and Europe at 76.67%. In contrast to the previous reporting period, where Europe had the highest rate of TCFD alignment, 2025 shows a more even distribution across regions, with all three falling within a narrow 2.2 percentage point range. The shift suggests a relative drop in uptake in Europe, while North America and the Rest of the World maintained higher levels of alignment.

7.2 CARBON DISCLOSURE

An analysis of the carbon disclosures of NILGOSC’s global portfolios identified that:

- ‘No disclosure’ of emissions data for the financial year under review was highest amongst North America-based organisations, with 75.61% making no such disclosure. The majority of these companies (87.1%) had disclosed data from the previous financial year, indicating an ongoing timeliness issue in carbon reporting across the region amidst the region’s wider sustainability-related transparency challenges following the SEC dropping its climate disclosure rule as part of a wider policy shift in the market on ESG issues
- In Europe, disclosure rates improved to 93.33% of companies reporting Scope 1, 2 & 3 emissions, up from 78.57% last year, with no companies in the ‘no disclosure’ category. This increase in transparency may reflect continued alignment with mandatory sustainability reporting requirements in key European markets.
- In the Rest of the World region, 28.13% of companies had no disclosure, driven primarily by late reporting in Japan - a pattern consistent with last year. Seven of the eight Japanese companies disclosed Scope 1, 2 & 3 emissions for the prior financial year rather than the year under review, indicating late disclosure. In contrast, several markets in the region achieved full timeliness, led by India, where all 12 companies analysed provided up-to-date emission disclosures.
- Industry patterns showed a wide disparity in disclosure practices. Like last year, Banks recorded the highest proportion of Scope 1, 2 & 3 reporters, which may reflect the high regulatory standards and investor scrutiny faced by the financial industry. At the other end of the spectrum, Investment Services had the highest concentration of ‘no disclosure’, with all four companies in the sector lacking up-to-date emissions data. The Integrated Oil & Gas sector also continued to perform poorly, with 100% of companies not providing up-to-date carbon emissions, including ConocoPhillips, one of the largest companies in the sector, which was also late in reporting last year.
- Across all regions, Scope 1, 2 & 3 reporting rates were highest in Europe (93.33%), while disclosure of Scope 1 & 2 only was most prevalent in the Rest of the World region. One company in the portfolio, Chubb Ltd (North America), disclosed emissions for a single Scope 3 category (business travel) without publishing an overall Scope 3 figure, limiting the ability to assess its total value chain impact.

Figure 9: Regional Carbon Disclosure



As with the previous year, no companies in the portfolio primarily disclosed only total emissions offset or only emissions efficiency for their carbon emissions. Several companies expanded their reporting in the current year, moving from partial to more comprehensive disclosure. These included Kweichow Moutai Co Ltd, Daimler Truck Holding AG, Fresenius SE & Co KGaA, and Koninklijke Ahold Delhaize NV, each of which disclosed Scope 1, 2 & 3 emissions this year, after reporting only Scope 1 & 2 in the previous year.

8. CONCLUSION

As direct owners of shares, NILGOSC can have a positive influence on the running of the companies it invests in. Most shares give their owners a right to vote on some company decisions, such as whether to take over another company or approve executive remuneration. Voting usually takes place at each company's AGM.

Voting shares is a pivotal tool through which shareholders can voice their opinion and act as good stewards. Should an investor use its governance preferences purely as a means of selecting companies in which to invest, the choice would be between compromising the investible universe of companies (not a choice which sits comfortably alongside the fiduciary obligation to maximise returns on investment) or compromising the values of the investor.

There is therefore a fiduciary duty for investors, especially public sector pension funds who hold shares on behalf of thousands of individual members, to hold management to account for the corporate culture of some of the largest companies, as economic actors and for their social and environmental impact. Many of the voting rights shareholders have today, have been granted over time with company law developments, often in response to public policy problems caused by failures of governance.

Due to various external factors, including macroeconomic and geopolitical uncertainty, there has been a return to a focus on governance in recent years, and a back-to-basics approach as companies seek to protect the bottom line in an uncertain operating environment. Investors have been looking for companies to demonstrate sound governance practices and have been re-examining board composition, skills, diversity and effectiveness. They want to ensure companies are positioned to provide effective oversight of material long-term financial and sustainability risks and opportunities. The election of directors and the approval of directors' remuneration are important shareholder rights in this context.

Reflecting the importance of board composition and effectiveness in ensuring effective oversight of material sustainability and financial risks and opportunities, over half (50.12%) of all NILGOSC's dissenting votes were within the Board category. Remuneration-related resolutions were the second most frequently opposed resolution category by NILGOSC (17.48%) followed by audit & reporting (16.76%).

The return in focus on governance coincides with regulations being relaxed around the world on governance standards and protections for shareholder rights in the pursuit of growth and market competitiveness, such as more favourable rules on dual-class share structures, the use of closed and virtual-only meetings and less stringent rules around shareholder say on related party transactions. Reflecting these concerns, there has been a rebound in support for governance-related shareholder proposals, particularly on proposals seeking enhanced shareholder rights.

Whilst ESG investing has become a mainstream issue for institutional investors and an increasing number of boards are providing disclosure on how they oversee material ESG risks and opportunities, ESG has also increasingly become a contested and politicised concept. The anti-ESG backlash is most prevalent in the US, with several states introducing laws limiting the consideration of ESG factors in investment and business decisions, and the new US government withdrawing from the Paris Climate Agreement, restricting company efforts on diversity, equity & inclusion (DEI) and changing the rules on permissible shareholder proposals.

The anti-ESG backlash has contributed to consecutive declines in support for shareholder proposals. Another contributing factor to the fall in shareholder support has been the rise of anti-ESG activism. There has been an increase in "anti-ESG shareholder proposals", which are drafted similarly to "pro-ESG" proposals but involve different rationales, motivations, and consequences if they are approved. NILGOSC voted against "anti-ESG shareholder proposals" seeking to roll back ESG initiatives, and these proposals received average support of around 2%; less than the 5% support required for resubmission.

Whilst the anti-ESG proposals themselves have not attracted material support, the increased rhetoric and legislative action around ESG may be contributing to the lower levels of support seen for pro-ESG shareholder proposals. Due to the changing political environment, institutional investors are maybe being more cautious with their votes, wishing to avoid attention and targeting by politicians or lobbyist groups.

The number of shareholder proposals voted on by NILGOSC fell from 190 to 179 in the year under review, reflecting the regulatory uncertainty and hostile political environment surrounding shareholder proposals. The number of successful shareholder proposals supported by NILGOSC fell from nine to four, with all four successful proposals in 2025 concerning governance-related issues.

Whilst shareholder proposals face uncertainty, it is expected that they will continue to garner attention, and the voting results still suggest well-crafted and targeted proposals can receive majority support, particularly around governance and shareholder rights. At the same time, an increasing number of investors are advocating for votes against directors as an alternative tactic to hold boards accountable for how they are overseeing and responding to environmental and social risks and opportunities; an increase in 'vote no' campaigns in the 2025 AGM season is indicative of this. However, there remains a difference in views on what issues warrant an against vote and who on the board should be held accountable, potentially resulting in mixed messaging and dilution of shareholder impact. NILGOSC supports holding the chair of the board accountable for sustainability-related disclosure and practices, as it is the chair that is ultimately responsible for overseeing the board's governance and risk management processes.

In total, NILGOSC voted contrary to management recommendation on 43.94% of resolutions, demonstrating an active approach to voting.

NILGOSC's dissent is broken down as follows:

- 42.16% of management-sponsored resolutions were voted contrary to management recommendation; and
- 70.39% of shareholder-sponsored resolutions were voted contrary to management recommendation.

NILGOSC's dissent has increased by 1.32% from last year's dissent level of 42.62% and is 35.07% higher than general shareholders. Average general shareholder dissent for the year stood at 5.03%, a 2.52% reduction from last year's 7.55% dissent figure. Accordingly, NILGOSC's dissent level continues to stand significantly higher than the average shareholder.

Notably, resolutions where NILGOSC opposed management received 7.41% average dissent, more than double the dissent figure for resolutions where NILGOSC supported management (3.20%). This highlights that NILGOSC has a robust voting policy which is consistent and aligned with other investors' governance concerns. At the same time, it is recognised that public sector pension funds do tend to have a much higher propensity to oppose management on resolutions than the general shareholder average.

Key Shareholder Votes

NILGOSC opposed four management-proposed resolutions that were defeated during the reporting period:

- **Remuneration Reports:** say-on-pay approvals at Molina Healthcare Inc and Warner Bros Discovery Inc were voted down by shareholders, due to concerns over the alignment of executive pay with performance.
- **Director Elections:** director elections at Netflix Inc and Phillips 66 failed to receive majority shareholder support.

NILGOSC supported four successful shareholder-proposed resolutions targeted at improving shareholder rights and governance practices:

- **Shareholder Rights:** a proposal seeking a lower threshold for the shareholder right to call a general meeting (Molina Healthcare Inc) and a proposal asking for the shareholder right to act by written consent (CDW Corp);
- **Board:** one proposal requesting a reduction of director terms to one year (Charles Schwab Corp); and
- **Political Activity:** one proposal requesting enhanced reporting on lobbying activity report (CBOE Global Markets Inc).

The debate on corporate governance and sustainable finance continues to grow in importance, and the quality of governance scrutiny and investor stewardship, and the perception of its importance, is on the increase. It is up to asset owners like NILGOSC to ensure that the quality and focus of this scrutiny is maintained by professional investors and company boards.