



Slater Investments Limited Voting Summary

1 April 2021 to 30 June 2021

The below table gives a summary of all our voting instructions across all companies held by Slater Investments Limited on behalf of the clients we advise and manage during the second quarter of 2021:

Meetings	
Total number of meetings voted at	59
Total number of resolutions voted on	771
Number of resolutions where we voted with management	604
Number of resolutions where we voted against management	167
Number of resolutions where we abstained	0
Number of resolutions where we voted against our voting policy	1

Of our votes against management recommendations:

- 45% related to the disapplication of pre-emption rights.
- 21% related to Executive Director remuneration (excluding specific Long-Term Incentive Plan (“LTIP”) lines).
- 17% related to the Power of Directors to allot shares.
- 10% related to the request to make political donations.
- 4% related to the LTIP specific Executive Director remuneration lines.
- 2% related to re-election of Executive Directors.
- 1% related to Executive Director actions.

Of our votes where we voted against our voting policy:

- 100% related to the disapplication of pre-emption rights

As usual, our votes against disapplication of pre-emptive continue to feature heavily. Pre-emptive rights give existing shareholders the opportunity to buy additional shares in any future issue of a company’s common stock before the shares are made available to the general public. The disapplication therefore removes the right. As a matter of protecting against dilution, we do not believe this should be commonplace nor at management’s discretion. However, during the period Duke Royalty engaged with us about an equity raise. We decided this was useful to the company, however, we did not want to participate. We waived our pre-emptive rights and therefore voted against our own policy, allowing the company to facilitate the raise.

During the period, we amended our voting policy to include voting against the power for Directors to allot shares, even without the disapplication of pre-emptive rights. We do not believe Directors require the constant ability to allot shares. We are welcoming of engaging with any company whenever the need so arises, and will judge each instance on a case by case basis.

We have also amended our voting policy where our votes against Executive Directors are concerned. Previously we noted that we retain the list of Chairs who chose not to engage with us when they were sent our [open letter](#) on nil-cost holdings, and have been voting against their re-elections on the grounds of poor shareholder communication. Now, additionally, we will vote against the re-election of Executive Directors who preside over Director remuneration policies that we disagree with. Usually, this concerns the use of nil-cost options. Whilst, in some instances, we do believe these have a place and a purpose, these use cases are few and far between. It is a remuneration structure much more aligned with a cash strapped start-up than an established profit-making company. Our votes against LTIP lines were for the same reasons as outlined above.



Our vote under what we have categorised as “Director actions” concerned a ballot line proposing shareholders could be given the right to elect dividends as shares in lieu of cash. We believe this would lead to an unnecessary dilution of our holding and therefore voted against the management recommendation of in favour.

There were two shareholder activist proposals with a voting management recommendation of against, at BP and Royal Dutch Shell. Both ballot lines were centred on climate change initiatives, a topic that is at the forefront of all investors’ minds given the UK Government’s net-zero ambitions. We felt, in both cases, that the shareholder proposals were aimed at steering the companies in the right direction and therefore voted against management and in favour of the resolutions.

Slater Investments ESG

July 2021