



Algemeen Pensioenfonds KLM

2024 Q4 - Quarterly Proxy Voting Report

20 January 2025

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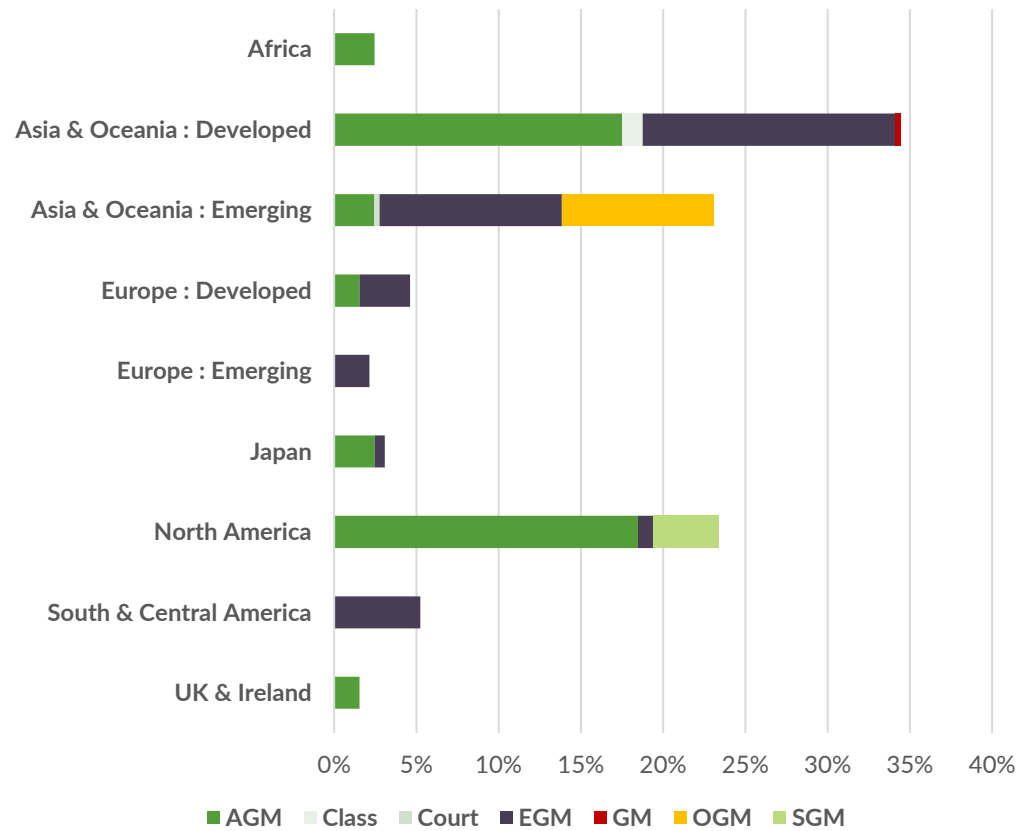
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- Algemeen Pensioenfonds KLM has developed and implemented policies and procedures to ensure that its fiduciary obligation to vote proxies in the best interest of its participants is fulfilled.
- We actively exercise our rights as an owner of shares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

Vote Summary by Region

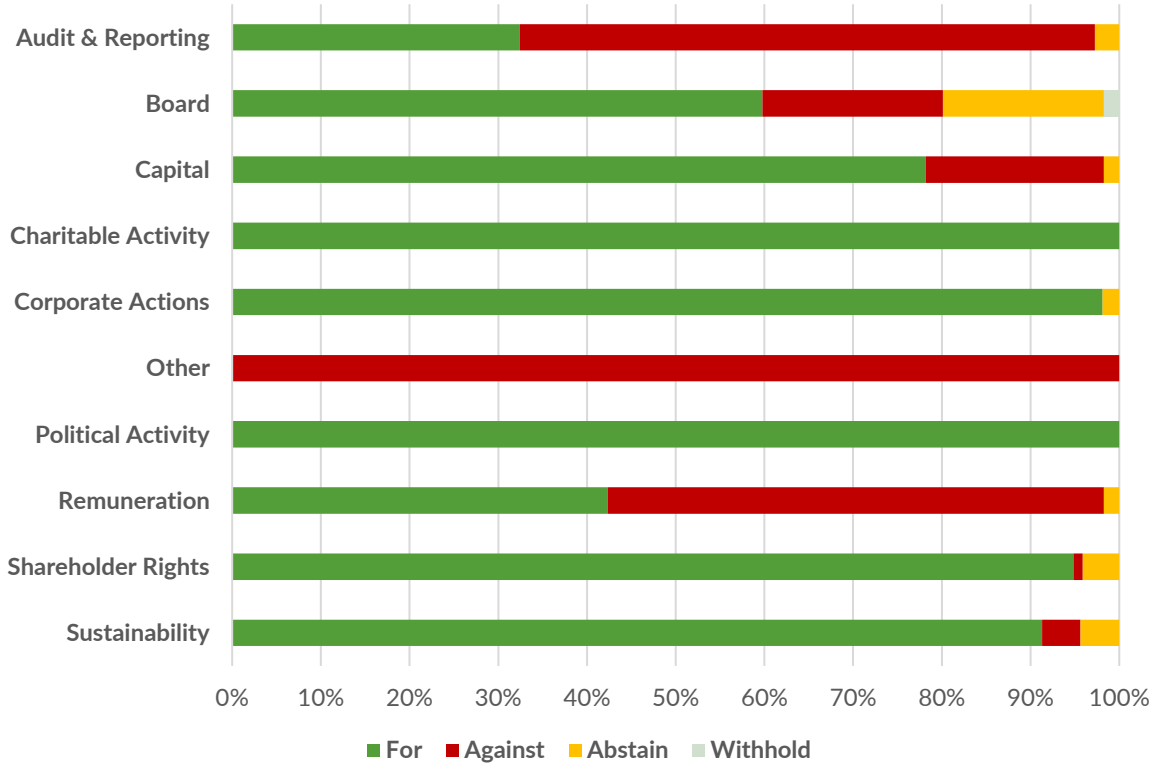
Vote Summary – 2024 Q4



Region	Event Type							Total
	AGM	Class	Court	EGM	GM	OGM	SGM	
Africa	8	0	0	0	0	0	0	8
Asia & Oceania : Developed	57	4	0	50	1	0	0	112
Asia & Oceania : Emerging	8	0	1	36	0	30	0	75
Europe : Developed	5	0	0	10	0	0	0	15
Europe : Emerging	0	0	0	7	0	0	0	7
Japan	8	0	0	2	0	0	0	10
North America	60	0	0	3	0	0	13	76
South & Central America	0	0	0	17	0	0	0	17
UK & Ireland	5	0	0	0	0	0	0	5
Total	151	4	1	125	1	30	13	325

Vote Summary by Resolution Category

Vote Summary - 2024 Q4



Resolution Category	Votes				Total
	For	Against	Abstain	Withheld	
Audit & Reporting	59	118	5	0	182
Board	767	261	233	22	1283
Capital	136	35	3	0	174
Charitable Activity	1	0	0	0	1
Corporate Actions	210	0	4	0	214
Other	0	1	0	0	1
Political Activity	4	0	0	0	4
Remuneration	147	194	6	0	347
Shareholder Rights	184	2	8	0	194
Sustainability	21	1	1	0	23
Total	1529	612	260	22	2423

- During the fourth quarter of 2024, we voted on 325 events and 2,423 resolutions.

Shareholder Proposal Vote Summary

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) or sustainability practices.

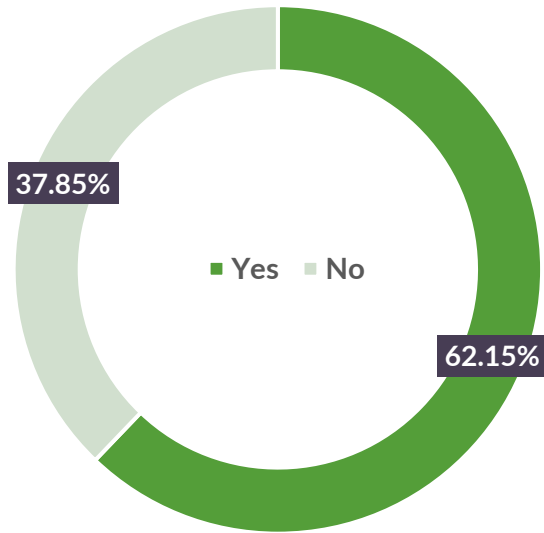
We value the right of shareholders to submit proposals to company general meetings. We will vote in favour of shareholder proposals that promote good corporate citizenship while enhancing long-term shareholder value, sustainability, and good governance.

We will vote against shareholder proposals that are misaligned with these principles and proposals that, in our assessment, are considered duplicative of existing company disclosure, practice and policy; are too prescriptive or seek to micromanage companies; and where the board has provided a commitment to address the issue raised by the proponent.

Resolution Category	Votes				
	For	Against	Abstain	Withheld	Total
Audit & Reporting	0	0	0	0	0
Board	1	2	0	0	3
Capital	0	0	0	0	0
Charitable Activity	0	0	0	0	0
Corporate Actions	0	0	0	0	0
Other	0	0	0	0	0
Political Activity	1	0	0	0	1
Remuneration	1	0	0	0	1
Shareholder Rights	8	0	0	0	8
Sustainability	19	1	0	0	20
Total	30	3	0	0	33

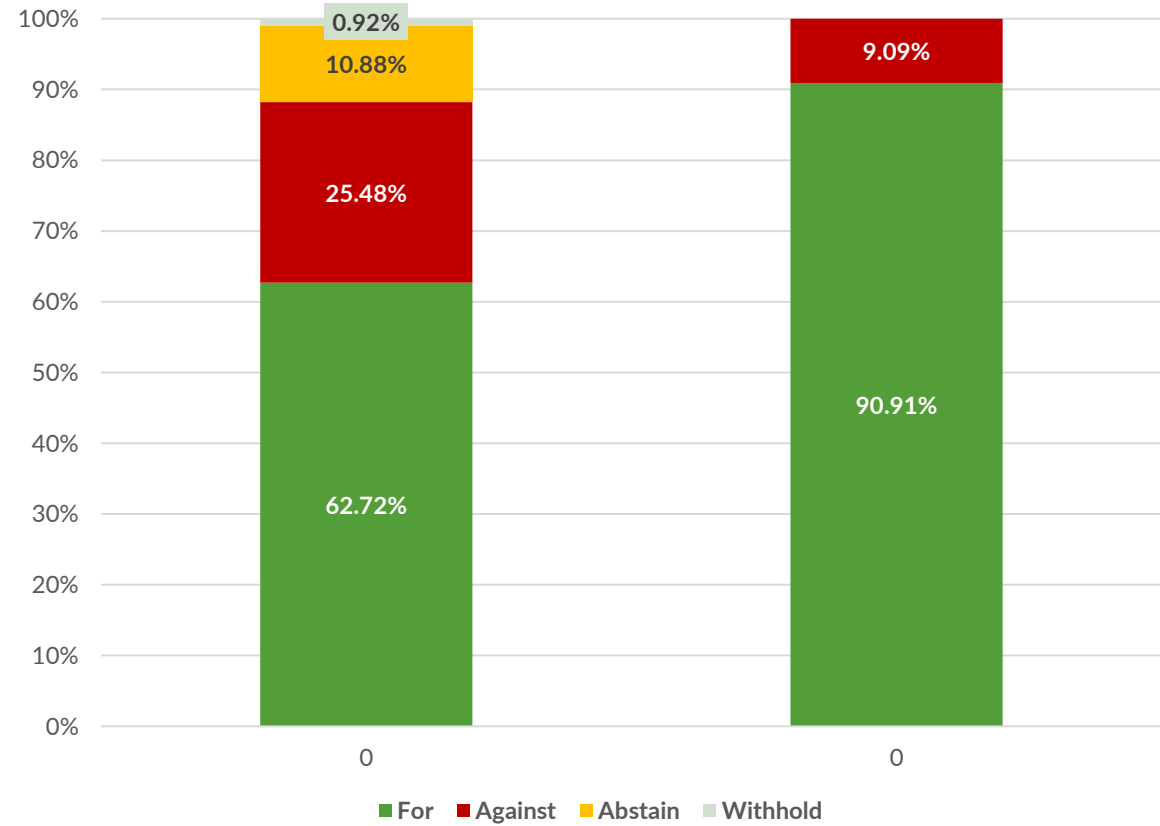
- During the fourth quarter of 2024, we voted on 33 shareholder-proposed resolutions.

Management Recommendation Followed



Votes in line with Management Recommendation	1,506
Votes NOT in line with Management Recommendation	917

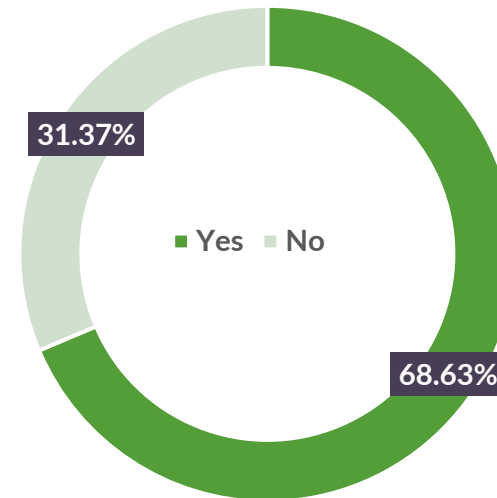
Summary Votes by Proposer



- We use the Sustainable Development Goals (SDGs) to identify Environmental, Social and Governance risks and opportunities.
- Algemeen Pensioenfonds KLM has chosen the below five SDGs themes as priorities.

	SDG 7 - Affordable and Clean Energy
	SDG 8 - Decent Work and Economic Growth
	SDG 9 - Industry, Innovation and Infrastructure
	SDG 12 - Responsible Consumption and Production
	SDG 13 - Climate Action

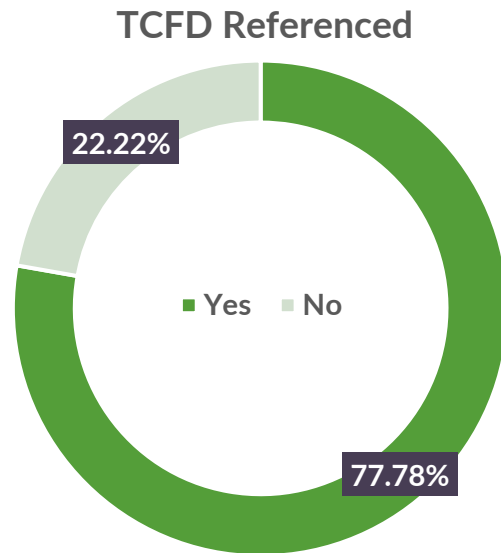
SDGs Referenced



- As part of the Data collection and Research process, Minerva identifies those companies that have referenced the SDGs in their disclosures. In the fourth quarter of 2024, 68.63% of the companies that held events that we voted on have a material reference to the SDGs.



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



▪ Minerva has identified that approximately 77.78% of the Companies we voted on between 1 October 2024 and 31 December 2024 have made specific reference to the TCFD framework and alignment with the disclosure pillars.



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ESG Features

Voting Highlights



Company	Sector	Incorporated	Event: AGM	Resolution	Proposed by
AutoZone Inc	Speciality Retailers	United States of America	18 Dec 2024	4 - To approve an advisory vote on reducing the ownership threshold to call special meeting of shareholders	Management
				5 - To request the Board to take the steps necessary to improve Special Shareholder Meetings	Shareholders

AutoZone Inc is engaged in retail and distribution of automotive replacement parts and accessories.

At AutoZone’s 2024 AGM shareholders requested the board to amend the Company bylaws to give shareholders with an aggregate of 10% of outstanding shares the right to call a special shareholder general meeting.

In response to the shareholder proposal, the Company put forth its own resolution at the AGM proposing the introduction of the shareholder right to call a special general meeting with a higher threshold of 25%.

Prior to these proposals, the bylaws required 50.1 % of all shares outstanding to call for a special shareholder meeting at AutoZone.

We believe the ability to call special meetings gives shareholders a way to bring important matters to the attention of both management and shareholders outside of the annual meeting cycle and is an important shareholder right. Currently, a majority of companies in the S&P500 allow shareholders to call special meetings and institutional investors generally favour a threshold of between 10% to 15%.

We voted in favour of the shareholder proposal seeking a lower threshold of 10% as well as the Board’s proposal to reduce the threshold for the right to call a special meeting – even at a higher threshold, the management proposal would improve governance and shareholder rights practices at the Company.

The shareholder proposal received 44.39% shareholder support whilst the management-proposed resolution received 89.94% support.

In the meeting materials, the Board commented that if this proposal 4 was approved and proposal 5 is not approved by shareholders, the Board intends to adopt an amendment to the By-Laws that would lower the required threshold for shareholders to call a special meeting (the “Special Meeting Right”) to 25%.

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Company	Sector	Incorporated	Event: AGM	Resolution	Proposed by
 Westpac Banking Corp	Banks	Australia	13 Dec 2024	6b - To approve a shareholder proposal regarding the transitional and physical risks of climate change	Shareholders
 National Australia Bank Ltd	Banks	Australia	18 Dec 2024	5b - To request further disclosure of the Company's transition plan	Shareholders
 ANZ Group Holdings Ltd	Banks	Australia	19 Dec 2024	6 - To request further disclosure on the transition plan	Shareholders

Westpac, ANZ and National Australia Bank (NAB) are engaged in providing a broad range of banking and financial products.

Each of the Australian banks in question had a shareholder proposal filed at their 2024 AGMs asking for enhanced disclosures and policy frameworks regarding their climate-related financing activities. The proposal raised concerns regarding the banks' continued financing of fossil fuel projects as a paradox to the companies' publicly stated climate commitments.

The boards of the banks recommended shareholders to vote against the proposal and argued that their current disclosures provided are made to an appropriate and sufficient level to address the concerns raised and that they had a comprehensive climate strategy which is capable of adequately addressing emissions reduction in high-emitting sectors.

We voted in favour of the proposals as we felt that the banks' actions in the area lagged behind international and domestic peers and were supportive of greater transparency on how the banks assess whether a fossil fuel company has a credible transition plan for new financing.

A feature of the Australian market is that shareholders do not have the ability to file advisory non-binding resolutions. Shareholder resolutions are considered a 'decision' of the company and are therefore binding and subject to a supermajority requirement of 75% votes in favour. As a result, it is common for shareholders to file a binding resolution seeking an amendment to the constitution to grant shareholders the right to propose advisory resolutions

Filing a constitution amendment request gives shareholders the platform to propose advisory resolutions on other matters, such as climate change, at the same meeting. As the constitutional amendment resolutions are classified as 'special resolutions', shareholders struggle to find the required majority. If the constitution amendment fails, then any advisory resolution also filed cannot pass as they are conditional on the constitution amendment, regardless of the level of support received.

For Westpac, ANZ and NAB, the constitution amendment shareholder proposals all failed, therefore the requested proposal on climate-related financing activities could not be carried. However, they did garner shareholder support of 36.6%, 29.3% and 19.5%, respectively. The level of support of these proposals reflects shareholder support for greater transparency on the banks' fossil fuel financing activities.

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Company	Sector	Incorporated	Event: AGM	Resolution	Proposed by
Cintas Corp	Personal Goods	United States of America	29 Oct 2024	7- To request the Board to prepare a report to shareholders on the Company's political donations	Shareholders

Cintas Corp is engaged in providing products and services that enhance customers' image and maintain clean, safe, and professional facilities and employees.

At Cintas' 2024 AGM shareholders requested the Board to produce a report disclosing their political donations as well as the policies and procedures for making electoral contributions and expenditures, including direct and indirect contributions.

The Cintas Board argued that this proposal is unnecessary and not in the best interest of the Company and its shareholders as there is already a policy governing political contributions that is publicly available, establishes oversight of their political contributions and already publicly reports political contributions in line with federal and state law disclosure requirements.

The International Corporate Governance Network's guidance on political lobbying and donations recommends companies to disclose their policies and processes for political donations. The guidance also recommends that direct and indirect political spending by corporations beyond a de minimis amount should be publicly disclosed and reported annually in terms of amount and stated purpose of the donation.

We considered the request aligned with good practice recommendations and would enhance transparency and accountability on political activity and voted in favour of the shareholder proposal.

Whilst the vote on the resolution was advisory only and does not bind the directors of the Company, the resolution received shareholder support of 39.39% indicating shareholder concerns with the level of transparency by the Company and support for additional reporting.

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Company	Sector	Incorporated	Event: AGM	Resolution	Proposed by
Mineral Resources Ltd	Industrial Suppliers	Australia	21 Nov 2024	1 - To adopt the remuneration report	Management

Mineral Resources Ltd is an integrated supplier of goods and services to the resources sector.

Mineral Resources remuneration report was voted down at its 2024 AGM after only around 25% of the shareholder ballot backed the report.

The vote also constituted a first strike under the Australian two-strike system. Under the system, a ‘first strike’ occurs when a company’s remuneration report receives an ‘against’ vote of 25% or more. The ‘second strike’ occurs when a company’s subsequent remuneration report also receives ‘against’ votes of 25% or more. When a second strike occurs, the shareholders will vote at the same AGM on a ‘board spill’ resolution which if passed, the company is required to hold a spill meeting within 90 days at which all individuals who were directors when the directors’ report was considered at the most recent AGM will be required to stand for re-election (other than the managing director).

We voted against the resolution due to concerns regarding the alignment of pay with corporate performance. In particular, concerns were held around governance at the Company and historical payments made to offshore entities controlled by the Company’s CEO, Chris Ellison, and the acknowledged lapses in conflict-of-interest procedures.

Following a Board investigation into the alleged misconduct, the Board identified a range of issues and shortcomings that demanded a strong and comprehensive governance response, which included an acceleration of leadership succession. As a result, the Company announced that the CEO would step down within an 18-month timeframe and that all forward-looking remuneration elements will be forfeited. The Company has also fined the CEO a total of AUD 8.8m.

In addition to these concerns, we also held concerns regarding the structure executive of remuneration. In particular, we held concerns regarding the level of alignment of KPIs to variable pay specifically the use of ROIC as the sole performance metric under the long-term incentive plan and the generous vesting of 67% of the award at threshold performance. Notably, due to the governance and conduct failures at the Company, the Board withdrew the resolution to grant the CEO a long-term incentive award.

Glossary

■ Meeting Types

- **AGM** - Annual General Meeting: meeting normally required by law taking place on an annual basis.
- **Class** - Class Meeting: shareholders holding a class of share are required to make a decision binding on the company.
- **Court** - Court meeting: where shareholders can order an annual meeting or a special meeting from a court or where a meeting is called by a Court of Law to approve a Scheme of Arrangement
- **EGM** - Extraordinary General Meeting: meeting is required to conduct business of an urgent or extra-ordinary nature. Such business may require a special quorum or approval level.
- **GM** - General Meeting: term often used interchangeably with the term EGM,OGM, SGM, depending on the term used by the company in question.
- **OGM** - Ordinary General Meeting: term often used interchangeably with the term EGM,GM, SGM, depending on the term used by the company in question.
- **SGM** - Special General Meeting: term often used interchangeably with the term EGM,GM, OGM, depending on the term used
- **SSM** - Scheme Meeting: term often used interchangeably with the term Court, depending on the market in question.

■ Vote Types

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

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

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