UGI

Rationale communicated to investor relations team: January 5, 2021

investors@ugicorp.com

I am writing to communicate ECO Advisors’ stance regarding a proposal in the upcoming UGI AGM.

ECO Advisors has some concerns regarding the company’s executive compensation packages. ECO Advisors encourages long-term performance-linked compensation incentives for executives. CEO John Walsh’s pay is high relative to his industry peers. We highlight this especially in relation to the company’s poor total shareholder return (TSR) performance. The number of shares held by CEO John Walsh decreased year over year from 2019-2020 by 33.35 percent. This is significantly higher than the 10 percent threshold detailed in our ECO Advisors voting policy guidelines. CEO John Walsh’s severance terms are also concerning. His cash severance pay is 5.25 times his annual pay, which is above our ECO Advisors voting policy threshold of 5 times annual pay. Finally in regards to executive pay, unvested equity awards are still eligible for vesting upon the termination of employment. This is not considered best practice. The combination of these factors has led to a decision to vote against management’s 2020 executive compensation proposal. Due to S pillar controversies, we have concerns about the ESG credentials of Ernst & Young Gmbh in relation to other auditors. However, these concerns are not elevated enough for us to vote against management. As such, we have chosen to abstain. We have voted in favour of management for all other proposals.

Response received January 21, 2021

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Applied Materials

Rationale communicated to investor relations team: February 10, 2021

investor\_relations@amat.com

Hello, I am writing to communicate our voting rationale for the upcoming AGM.

ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the March 2021 Applied Materials Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees Applied Materials as an ESG leader. Applied Materials’ board has an independent majority, which enables it to more effectively fulfill its critical function of overseeing management on behalf of shareholders. Applied Materials also has fully independent audit and pay committees. Additionally, the company has split the roles of CEO and chair and has named a fully independent chairman, a practice that is increasingly identified with superior board performance. The Applied Materials board also includes more than three female directors, meeting ECO Advisors’ voting requirements for developed markets. There are also no significant shareholder votes against any director. After careful consideration ECO Advisors has decided to vote for the re-election of the stated board members.

CEO perks are on the higher end relative to the company’s market cap, however they are not high enough to raise concern. CEO Gary Dickerson’s pay is average relative to industry peers. The company’s CEO equity policy details that the CEO should own stock with a value of at least six times his annual base salary. This is above ECO Advisors minimum threshold. As part of its annual review of the executive compensation program in early fiscal 2020, Applied Materials’ Human Resources and Compensation Committee reduced Mr. Dickerson’s annual incentive bonus target amount while increasing the size of his annual long-term incentive award and approved long-term value creation awards. These awards are entirely performance-based, have a longer vesting requirement than the annual long-term incentive awards, and will only deliver value to the recipients if Applied Materials’ stock price significantly exceeds the Company’s all-time high on the grant date. These changes are consistent with ECO Advisors’ emphasis on long-term pay incentives for executives. Finally, clawback provisions are in place.

Due to G pillar controversies, we have concerns about the ESG credentials of KPMG Accountants in relation to other auditors. However, these concerns are not elevated enough for us to vote against management. As such, we have chosen to abstain.

There are two proposals put forward by shareholders. The first proposing that company policy be amended to require the Chairman of the Board to be independent whenever possible. Management advised to vote against this proposal, stating that Applied Materials’ chairman has been independent since 2015. However, an independent chairman is best governance practice and, as such, ECO Advisors supports the proposal to include this in the company’s governance policies to promote ESG best practice. The second proposal put forward by shareholders called for the company’s remuneration policy to be amended to include CEO pay ratio and other factors. Management has advised to vote against this principle, stating a record of good governance practices. While ECO Advisors recognises Applied Materials’ leading governance record, we agree that the inclusion of pay ratios in remuneration decision-making may help prevent extreme pay levels for executives. As such, we have chosen to approve this proposal.

We have voted in favour of management for all other proposals.

Response received February 11, 2021

Hi Roz,

Thank you for the detailed explanation. We appreciate your support.

Aileen Aniciete

Jyske Bank

Rationale communicated to investor relations team: March 3, 2021

trine.norgaard@jyskebank.dk

I am writing to communicate ECO Advisors’ stance regarding a proposal in the upcoming UGI AGM. In general ECO Advisors sees the company in a very favourable light, and as such we have supported all but one proposal. Due to social controversies, we have concerns about the ESG credentials of Ernst & Young Gmbh in relation to other auditors. However, these concerns are not elevated enough for us to vote against management. As such, we have chosen to abstain. ECO Advisors has some concerns regarding the company’s executive compensation packages. We would like to see more long and short term incentives in the form of variable pay or stock awards for executives so as to incentivise taking positive corporate risks. However, we have voted in line with management on the relevant proposals, as well as all other proposals.

Hewlett Packard

Rationale communicated to investor relations team: March 3, 2021

investorrelations@hp.com

I am writing to communicate ECO Advisors’ stance regarding a proposal in the upcoming Hewlett Packard AGM. We have supported all but one proposal. Due to social controversies, we have concerns about the ESG credentials of Ernst & Young Gmbh in relation to other auditors. However, these concerns are not elevated enough for us to vote against management. As such, we have chosen to abstain. ECO Advisors has some concerns regarding the company’s executive compensation packages. ECO Advisors would like to see more explicit links between sustainability performance and incentive pay policies, which are not obvious at this time. Additionally, the current clawback provisions are not effective, and the CEO non-equity incentives and perks are quite high relative to peers. However, in general ECO Advisors sees the company in a very favourable light and views the company as an ESG leader, and as such we have voted in line with management on this, and the rest of the proposals.

NKT

Rationale communicated to investor relations team: March 5, 2021

ir@nkt.com

I am writing to communicate ECO Advisors’ stance regarding a proposal in the upcoming NKT AGM. In general ECO Advisors sees the company in a very favourable light, and as such we have supported all proposals except board renominations. This is due to the fact that your Board includes only two females, which is less than our policy of a minimum threshold of three females. Academic research suggests that three women may constitute a critical mass to allow women to contribute more equally to group decision making. Increasing the number of women to three or more enhances the likelihood that women’s voices and ideas are heard and that boardroom dynamics change substantially. As such we have abstained on those proposals. We have voted in line with management on all other proposals.

Response from investor relations:

Dear Roz,

Thank you for your email and input.

It is on the agenda to increase the presence of the underrepresented gender in the Board of Directors. Today, 2 of 6 AGM elected members are females. A new female, Karla Lindahl, joined our Board in 2020 and thereby increased the number of females.

And the 3 employee elected members in the Board are males. At the next election in 2022, we will encourage females to run for election.

Best regards / Med venlig hilsen

Michael Nass Nielsen

Texas Instruments

Rationale communicated to investor relations team: March 11, 2021

txn@ti.com

I am writing to communicate ECO Advisors’ stance regarding a proposal in the upcoming Texas Instruments AGM.

ECO Advisors sees Texas Instruments is an ESG leader. In regards to the board of directors nominations, the board includes three female directors, meeting ECO Advisors’ voting requirements for developed markets. There are also no significant shareholder votes against any director. After careful consideration ECO Advisors has decided to vote for the re-election of the stated board members. ECO Advisors has chosen to vote against the proposal regarding executive compensation for the following reasons: The CEO equity policy as a multiple of the salary is below our recommended threshold of five times, pay has failed to reflect the company’s total shareholder return performance over the last three and five years, and annual incentives have failed to rise or fall in line with annual performance for the last reported period. The total shareholder return for 2020 was below the median, and returns are below the five year returns of the semiconductor index used for reference. However, the proposed compensation includes a base salary and bonus increase. We also have dilution concerns. For these reasons, ECO Advisors has voted against the proposal on executive compensation.

Finally, due to S pillar controversies, we have concerns about the ESG credentials of Ernst & Young Gmbh in relation to other auditors. However, these concerns are not elevated enough for us to vote against management. As such, we have chosen to abstain. ECO Advisors has voted in line with management on all other proposals, including the stockholder proposal to permit shareholder action by written consent, which is best practice.

Svenska Cellulosa

Rationale communicated to investor relations team: March 23, 2021

josefine.bonnevier@sca.com

Hello, I am writing in regards to ECO Advisors’ votes for the upcoming AGM. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the April 2021 Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees your company as an ESG leader overall, and especially in regards to governance. In regards to the board of directors nominations, the board includes three or more female directors, meeting ECO Advisors’ voting requirements for developed markets. There are also no significant shareholder votes against any director. The board of directors includes a fully independent audit committee. This is in contrast to the 41% of companies in the home market that fail to include a fully independent audit committee. After careful consideration ECO Advisors has decided to vote for the re-election of the stated board members. In regards to executive remuneration, ECO Advisors has decided to vote in line with management as remuneration levels are in line with our expectations and in line with peers. However, we note two main concerns. Firstly, we see no effective clawback provisions in place. Secondly, the CEO’s shares are currently equal to 112% of the salary. ECO Advisors considers 500% or five times the salary an effective threshold. Due to S pillar controversies, we have concerns about the ESG credentials of Ernst & Young Gmbh in relation to other auditors. However, these concerns are not elevated enough for us to vote against management. As such, we have chosen to abstain on the relevant proposals. We have communicated our expectations to the investor relations team. We have voted in line with management on all other proposals.

AMN Healthcare Services

Rationale communicated to investor relations team: April 10, 2021

ir@amnhealthcare.com

Hello, I am writing in regards to ECO Advisors’ votes for the upcoming AGM. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the April 2021 AMN Healthcare Services Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees AMN Healthcare Services as an ESG leader. In regards to board nominations, the nominations include three or more females, meeting the ECO Advisors threshold of minimum three female board members in developed markets. There are also no significant votes against a director. As such, we have voted in favour of all board nominations.

In regards to executive pay, we see the CEO pay as high, however the pay structure falls strictly in line with best practice and our expectations as outlined in our voting policy. In addition, we recognise that long-term incentives, specifically the exercising of options and vested stock awards, significantly contributed to the over realised pay. The CEO shares as a percentage of salary is 743.55%, which exceeds our threshold of five times. Therefore, we have voted in line with management on executive remuneration. Regarding the shareholder proposal that shareholders be able to aggregate their shares to equal 3% of our stock owned continuously for 3-years in order to enable shareholder proxy access, rather than the current ration of 20 shareholders to initiate shareholder proxy access, we have chosen to vote against management and in favour of the shareholder proposal. We see this change as removing a barrier to effective shareholder representation and in line with best practice. Finally, due to G pillar controversies[[1]](#footnote-0), we have concerns about the ESG credentials of KPMG Accountants in relation to other auditors. However, these concerns are not elevated enough for us to vote against management. As such, we have chosen to abstain.

Janus Henderson

Rationale communicated to investor relations team: April 10, 2021

melanie.horton@janushenderson.com

Hello, I am writing in regards to ECO Advisors’ votes for the upcoming AGM. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the April 2021 Janus Henderson Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees Janus Henderson as an ESG leader. In regards to director renominations, the board includes three or more women, meeting the ECO Advisors threshold of minimum three female board members in developed markets. There are significant votes against two directors: A. Seymour-Jackson and R. Gillingwater. ECO Advisors has found no cause for concern in regards to Ms. Seymour-Jackson. However, we have also flagged Mr. Gillingwater for being overboarded, serving on four boards. Mr. Gillingwater has also been accused of overboarding by SSE investors previously, where he also serves on the board. We are concerned that the shareholder dissatisfaction at Janus Henderson may be a symptom of this overboarding. As such, we have chosen to abstain on this renomination. ECO Advisors has voted in line with management on all other proposals.

Response

April 12, 2021

Melanie.Horton@janushenderson.com

Thank you for your email. We value your engagement and feedback in relation to our company and upcoming AGM and appreciate the importance of the issues you have raised.

On the topic of Board Composition, our Nominating and Corporate Governance Committee remains keenly focused on ensuring the size, composition, expertise and balance of our Board aligns with best practice and, at present, we are satisfied with attendance and contribution we see across all our members. We believe the Board of Janus Henderson genuinely benefits from the insights and experience each member brings from their other Boards. Notwithstanding, I would also like to take this opportunity to draw your attention to our Chairman Richard Gillingwater’s resignation as Chairman of SSE plc, effective 31 March 2021.

ECO Advisors response

April 12, 2021

Dear Melanie, thank you for this clarification. After careful consideration we have amended our vote to vote in favour of the renomination of Mr. Gillingwater.

American Express

Rationale communicated to investor relations team: April 13, 2021

IR@aexp.com

Hello, I am writing in regards to ECO Advisors’ votes for the upcoming AGM. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the May 2021 American Express Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees American Express as an ESG leader. In regards to director renominations, the board includes three or more women, meeting the ECO Advisors threshold of minimum three female board members in developed markets. There are also no significant votes against any director. As such, ECO Advisors has voted in line with management on all board nominations. In regards to executive pay, we feel that the total pay awarded to the CEO is high, and that this is largely due to large short-term incentives. We encourage a shift towards a greater emphasis on long-term incentives within variable pay. For this reason, we have decided to abstain from the vote on executive compensation. There are two shareholder proposals which management has advised voting against. The first is to permit written consent by shareholders. ECO Advisors has decided to vote for this proposal, which is against management. We view this proposal as advancing the democratic powers of shareholders and transparency. The second shareholder proposal calls for quantitative, comparable data to understand the company’s diversity, equity, and inclusion programs. We have decided to vote in favour of this proposal, which is against management. As noted in our voting policy, research shows multiple benefits to diversity, including diversity of thought, improved decision making, and better company performance. Quantitative and comparable data will increase transparency and allow for accountability and investor engagement. We have voted in line with management on all other proposals.

Caixabank

Rationale communicated to investor relations team: April 13, 2021

investors@caixabank.com

Hello, I am writing in regards to ECO Advisors’ votes for the upcoming AGM. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the May 2021 Caixabank Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees Caixabank as an ESG leader, especially in regards to governance. Caixabank has a majority independent board with separate CEO and chairman roles, which will help provide strong oversight of management. In regards to the board of directors nominations, the board includes three or more female directors, meeting ECO Advisors’ voting requirements for developed markets. There are also no significant shareholder votes against any director. After careful consideration ECO Advisors has decided to vote for the re-election of the stated board members. In regards to executive pay and the remuneration policy, pay levels are in line with ECO Advisors’ expectations, and there are effective clawback provisions in place. The proposed amendments to the remuneration policy include setting a maximum annual fixed amount of remuneration for all directors, as well as increasing the maximum level of variable remuneration for “Identified Staff”, up to 200% of the fixed component of their total remuneration, and deferring payment of 60% of variable remuneration over five years. These proposals are within the spirit of ECO Advisors’ voting policy on executive pay and the promotion of long term incentives. As such, we have voted in line with management, however are writing to communicate our expectations for CEO’s holding five times their salary in shares to investor relations, which we view as promoting long-term incentives and appropriate risk-taking by executives. All other proposals are considered standards and uncontroversial, and as such we have voted in line with management.

Bunge

Rationale communicated to investor relations team: April 13, 2021

ruthann.wisener@bunge.com

Hello, I am writing in regards to ECO Advisors’ votes for the upcoming AGM. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the May 2021 Bunge Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees Bunge as an ESG leader. We are very pleased to note that several of the proposals from the upcoming AGM demonstrate excellent responsiveness to shareholder concerns, a commitment to ESG best practice, and the efficacy of engagement. In regards to board nominations, the Bunge board includes three or more females, meeting ECO Advisors’ voting requirements for developed markets. Henry Winship has significant votes against him from the previous nomination, however he is not overboarded, and we have not found sufficient reasoning to vote against him. For this reason we have voted in favour of all board nominations. In regards to remuneration and the vote to approve executive compensation, between 2014 and 2019 an average of 91% of votes cast were in favor of the executive compensation program. However, in 2020 only 41% of the shares voted on the say-on-pay proposal were voted "for" the proposal. In response during 2020 and 2021, the company engaged with investors representing approximately 50% of their outstanding shares. In response to the results of the 2020 say-on-pay vote and the valuable feedback received from shareholders, as well as the Human Resources and Compensation Committee's consideration of competitive market practices, the following enhancements have been made to the executive compensation program:

• The Human Resources and Compensation Committee reaffirmed its intent to provide severance benefits within existing policies and contractual obligations. In the rare instance the Human Resources and Compensation Committee determines that discretionary action is in the best interest of the Company and its shareholders, Bunge will disclose the factors that led to that decision.

• For 2021, Bunge re-weighted long-term incentives to have a greater portion tied to performance (60%) and aligned Earnings per Share ("EPS") and Adjusted Return on Invested Capital ("AROIC") targets to their externally stated goals. No stock options will be granted.

• For 2021, Bunge discontinued the use of similar metrics in the annual incentive plan and the equity incentive plan. Return on Invested Capital ("ROIC") has been replaced as a metric for performance based restricted stock units with AROIC to account for mark-to-market timing differences and to adjust for readily marketable inventories. The annual incentive plan will be funded based on adjusted Profit Before Taxes ("PBT") before certain incentive payouts, then modified by objectives driven by operational performance and Environmental, Social and Governance and Human Capital Management goals.

 • For 2021, Bunge added a relative total shareholder return modifier for performance based restricted stock units.

We welcome these changes as evidence of excellent responsiveness and superior governance practices at Bunge. We are also pleased to see that the CEO equity policy as a multiple of salary is equal to six times, above the ECO Advisors threshold of five times. We have voted in line with management on the advisory vote to approve executive compensation.

There are two shareholder proposals at this AGM. In the first proposal shareholders are requesting that Bunge issue a report assessing if and how it could increase the scale, pace, and rigor of its efforts to eliminate native vegetation conversion in its soy supply chain. According to the shareholder proposal, Bunge was linked to at least 48,725 hectares of absolute deforestation risk since 2015 and to 16,942 fire alerts in 2020. Further information can be found in the Notice of Annual General Meeting of Shareholders and 2021 Proxy Statement. Management has provided a substantive response to these concerns in the report and has recommended voting to approve this proposal as they are planning on releasing their Global Non-Deforestation Report later in 2021, which will describe Bunge’s approach to palm and soy sourcing, including descriptions of our commitments, practices, and operating environments. Bunge believes this report is consistent with the report requested by shareholders. We have voted in line with management on this proposal and voted for the shareholder proposal.

The final shareholder proposal requests that the Bunge board take each step necessary so that each voting requirement in our charter and bylaws that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws. ECO Advisors has chosen to support this proposal as supermajority voting requirements have been found to be one of six entrenching mechanisms that are negatively related to company performance[[2]](#footnote-1). As such, we have voted against management on this proposal. We have voted in favor of management on all other proposals.

Amundi

Rationale communicated to investor relations team: April 13, 2021

investor.relations@amundi.com

Hello, I am writing in regards to ECO Advisors’ votes for the upcoming AGM. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the May 2021 Amundi Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees Amundi as an ESG leader. Amundi has a majority independent and diversified board for strong management oversight. The Amundi board also includes three or more female directors, meeting ECO Advisors’ voting requirements for developed markets. Attendance concerns have been identified for Michel Mathieu and William Kadouch-Chassaing, but this has not translated into significant shareholder votes against any director. After careful consideration ECO Advisors has decided to vote for the re-election of the stated board members. In regards to executive compensation, pay levels are within ECO Advisors’ expectations in given market cap, peer averages, and total shareholder return. There are also no significant votes against executive pay. However, the CEO equity policy only requires 200 shares to be held, which amounts to below our recommended threshold of five times the salary. We have voted in line with management on remuneration. ECO Advisors has also voted in line with management on all other proposals. In regards to the non-renewal of Ernst & Young, due to S pillar controversies[[3]](#footnote-2), we have concerns about the ESG credentials of Ernst & Young Gmbh in relation to other auditors. As such, we are pleased to approve Amundi’s decision to appoint Mazars in the auditor role.

Pros Holdings

Rationale communicated to investor relations team: April 19, 2021

ir@pros.com

Hello, I am writing in regards to ECO Advisors’ votes for the upcoming AGM. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the May 2021 Pros Holdings Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors views Pros Holdings as an ESG improver, however it shows strong governance practices relative to peers. The board includes three or more female directors, meeting ECO Advisors’ voting requirements for developed markets. There are also no significant shareholder votes against any director. After careful consideration ECO Advisors has decided to vote for the re-election of the stated board members. In terms of executive compensation, while ECO Advisors encourages remuneration composition shifts away from fixed compensation heavy schemes towards long-term incentives, we expect that these long-term incentives will be performance-based or have a strong tie to performance. In the case of Pros Holdings we note that only 50 percent of the overall compensation is explicitly linked to performance (performance-based restricted stock units and short-term incentives). 50 percent of restricted stock units are time-based, rather than performance based. We note that given the market cap, the percentage of company shares the board has set aside for use in granting incentive awards is quite high at 12.4% in 2019, leading to dilution concerns. We do not view the current executive compensation structure to be in line with the spirit of long-term incentives as outlined in our voting policy, and as such, we have chosen to abstain on the relevant proposal. We have also chosen to abstain on the proposal to amend the 2017 Equity Incentive Plan to increase the maximum number of shares of Common Stock of the Company reserved for issuance of new grants, for the reasons outlined above. We have voted in line with management on all other proposals.

Met with Chief People Officer and Senior Manager of IR on April 26, 2021:

Following a thorough discussion, we decided to amend one of our votes: “Approval of amendments to our Amended and Restated 2017 Equity Incentive Plan.” The team we spoke to gave us further details on how the Equity Incentive Plan is structured, and how employees at different levels participate. They also pointed out that relative to others in the technology industry their equity plans have been quite conservative, and that they benchmark these plans against the industry and external equity grants. Nikki Brewer, CPO, clarified that according to the company’s own metrics they stand at 4.8% dilution, while the median for the industry last year was 5.5. As such, we amended our vote to vote in line with management. However, after our discussion we have chosen to continue abstaining from the executive pay proposal due to the reasons outlined above.

Baker Hughes

Rationale communicated to investor relations team: April 19, 2021

investor.relations@bakerhughes.com

Dear Judson Bailey,

I am writing in regards to ECO Advisors’ votes for the upcoming AGM.

ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the May 2021 Baker Hughes Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors views Baker Hughes as an ESG leader, however the company demonstrates poor governance practices relative to peers. In regards to board nominations, we view director Nelda Connors as overboarded, as she is on five boards. However, as there are no significant votes against her, it does not appear that the high number of boards she serves on has had a significant negative impact on her performance. Director John Rice has significant votes against him (26.6%). He has been the Chairman of GE Gas Power since 2018. The team discussed abstaining from Mr. Rice’s nomination in order to encourage more independence from GE Gas Power, however after careful consideration we ultimately decided to vote in favour of his nomination. The board includes three or more females, meeting the ECO Advisors threshold of three female board members in developed markets. ECO Advisors has decided to vote in favour of all board nominations. In regards to executive remuneration, pay levels are in line with expectations relative to peers and given the market cap of the company. The CEO equity policy as a multiple of the salary is six times, which is above the ECO Advisors threshold of five times. Short and long-term incentives are also well defined in the remuneration policy and compose a high proportion of total compensation. However, we are concerned to see that the executive equity structure fails to reflect the company’s total shareholder return. Specifically, with performance share units if the total shareholder return was negative the payout cap is still as high as 100%. As such, we do not view the company’s variable as effective incentivisation, and after careful consideration we have decided to abstain on the proposal to approve executive compensation and the company’s Long Term Incentive Plan. Due to G pillar controversies[[4]](#footnote-3), we have concerns about the ESG credentials of KPMG Accountants in relation to other auditors. However, these concerns are not elevated enough for us to vote against management. As such, we have chosen to abstain on the proposal to nominate the auditor. We have voted in line with management on all other proposals.

Norsk Hydro

Rationale communicated to investor relations team: April 19, 2021

Line.Haugetraa@hydro.com

Dear Line Haugetraa,

I am writing in regards to ECO Advisors’ votes for the upcoming AGM.

ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the May 2021 Norsk Hydro Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees Norsk Hydro as an ESG leader. In regards to executive remuneration, Norsk Hydro demonstrates excellent pay practices relative to peers and pay levels are in line with expectations. There are also no significant votes against executive pay. However, we have not been able to identify effective clawback provisions or stock ownership guidelines. ECO Advisors considers 500% or five times the salary as our threshold for stock ownership to be considered an effective long-term incentive. ECO Advisors has decided to vote in favour of the remuneration policy, but we wish to communicate these concerns. All other proposals are routine or uncontroversial, and as such, we have voted in line with management.

Cedar Fair

Rationale communicated to investor relations team: April 19, 2021

investing@cedarfair.com

Hello, I am writing in regards to ECO Advisors’ votes for the upcoming AGM.

ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the May 2021 Cedar Fair Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees Cedar Fair as an ESG improver. In regards to the board nominations, the board meets the ECO Advisors threshold of three females in developed markets. We have also not found any cause for concern with any director up for nomination. As such, we have decided to vote in favour of all board nominations.

In regards to executive compensation, we recognise that 2020 was a difficult year for the company, that the temporary base salary reductions reflect this (CEO base salary reduced by 40 percent, reduced the base salaries of all other executives by 25 percent), and that the suspended cash retainer fees for the Board of Directors from the end of April until late July is part of these efforts. As the company’s compensation programs are primarily weighted toward Adjusted EBITDA performance, and as Adjusted EBITDA was below threshold due to park closures, the incentive and retentive value for outstanding cash and equity grants for the management team was nullified. However, “Back-Half Incentive Units” have been proposed as a way to retain key talent at the company in light of the above changes. The target dollar value of the units at grant represented 60% of the target 2020 cash incentive opportunity that each named executive officer did not have the opportunity to achieve due to COVID-19. We sympathize with management, however, we have concerns surrounding additional opportunities for compensation after prior awards and targets failed to be met. After careful deliberation we have ultimately decided not to penalise the company for this post-Covid plan. However, we do have other concerns related to pay. ECO Advisors believes that executive pay should be heavily linked to performance, in a way that encourages long-term decision making and healthy risk-taking. Under the current compensation structure the base salary is 32 percent of total compensation, and 42 percent is restricted stock units where 40 percent of the restricted stock units are not performance-based. We do not view the current executive compensation structure to be in line with the spirit of long-term incentives as outlined in our voting policy, and as such, we have chosen to abstain on the relevant proposal. We have voted in line with management on all other proposals.

Thermo Fisher Scientific

Rationale communicated to investor relations team: April 19, 2021

investorrelations@thermofisher.com

Dear Rafael Tejada,

I am writing in regards to ECO Advisors’ votes for the upcoming AGM.

ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the May 2021 Thermo Fisher Scientific Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees Thermo Fisher Scientific as an ESG improver. In regards to the board nominations, the board does not meet the ECO Advisors threshold of three females in developed markets. As per our voting policy, we have abstained on all board member renominations. Academic research suggests that three women may constitute a critical mass to allow women to contribute more equally to group decision making. Increasing the number of women to three or more enhances the likelihood that women’s voices and ideas are heard and that boardroom dynamics change substantially. In regards to executive pay, although high, pay levels fall into appropriate levels given the market cap of the company and company performance. We are pleased to see Thermo Fisher Scientific amend its policies in response to shareholder concerns. In response to feedback received from stakeholders the company amended their Corporate Governance Guidelines to, among other things, increase the stock ownership requirement from four times base salary to six times base salary for their CEO. This is in line with ECO Advisors’ expectations of ESG leaders. There is one shareholder proposal calling for the right to call special meetings. Currently, 66.6% of S&P 500 companies allow shareholders to call a special meeting. ECO Advisors has decided to vote for this proposal, which is against management. We view this proposal as advancing the democratic powers of shareholders and transparency. We have voted in line with management on all other proposals.

Old Dominion Freight

Rationale communicated to investor relations team: April 28, 2021

Investor.Relations@odfl.com

Hello,

I am writing to communicate ECO Advisors’ stance regarding a proposal in the upcoming Old Dominion Freight AGM. In general ECO Advisors sees the company in a favourable light, and as such we have supported all proposals except board renominations and auditor nomination. This is due to the fact that your Board includes less than three women, which is less than our policy of a minimum threshold of three women. Academic research suggests that three women may constitute a critical mass to allow women to contribute more equally to group decision making. Increasing the number of women to three or more enhances the likelihood that women’s voices and ideas are heard and that boardroom dynamics change substantially. As such we have abstained on all board nominations. Due to S pillar controversies, we have concerns about the ESG credentials of Ernst & Young Gmbh in relation to other auditors. However, these concerns are not elevated enough for us to vote against management. As such, we have chosen to abstain. We have voted in favour of management for all other proposals.

Hess Corporation

Rationale communicated to investor relations team: May 13, 2021

No email address available, website page is under maintenance

Go Daddy

Rationale communicated to investor relations team: May 14, 2021

investors@godaddy.com

Hello,

I am writing to communicate ECO Advisors’ stance regarding a proposal in the upcoming AGM. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the June 2021 Go Daddy Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees Go Daddy as an ESG improver. In regards to the board nomination proposal, the board does not meet the ECO Advisors threshold of three females in developed markets. As per our voting policy, we have abstained on all board member renominations. Academic research suggests that three women may constitute a critical mass to allow women to contribute more equally to group decision making. Increasing the number of women to three or more enhances the likelihood that women’s voices and ideas are heard and that boardroom dynamics change substantially. In regards to executive pay, while we note a high level of shareholder votes against the latest pay votes, we have not identified any causes for concern. Pay levels and structures are within expectations. In 2020 performance-based compensation made up 72.7% of the target compensation for CEO Bhutani. We are pleased to see long vesting periods for RSUs and PSUs. We have not identified stock ownership guidelines nor ties to sustainability in the executive compensation policy, and encourage the company to consider these components which we consider key best practices. We have decided to vote in favour of the proposals related to compensation.

Due to S pillar controversies[[5]](#footnote-4), we have concerns about the ESG credentials of Ernst & Young Gmbh in relation to other auditors. However, these concerns are not elevated enough for us to vote against management. As such, we have chosen to abstain. We have voted in favour of management for all other proposals.

Kar Auction Services

Rationale communicated to investor relations team: May 14, 2021

Mike.Eliason@karglobal.com

Hello,

I am writing to communicate ECO Advisors’ stance regarding a proposal in the upcoming AGM. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the June 2021 Kar Auction Services Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees Kar Auction as an ESG leader, and exhibits particularly strong governance. ECO Advisors sees Hess as an ESG leader, and exhibits particularly strong governance. However, in regards to the board nomination proposal, the board does not meet the ECO Advisors threshold of three females in developed markets. As per our voting policy, we have abstained on all board member renominations. Academic research suggests that three women may constitute a critical mass to allow women to contribute more equally to group decision making. Increasing the number of women to three or more enhances the likelihood that women’s voices and ideas are heard and that boardroom dynamics change substantially.

In regards to executive pay, ECO Advisors is pleased to see that Kar Auction’s pay structure is in line with our expectations, and demonstrates a commitment to long-term incentivisation and goals, including an effective CEO equity policy. As we have identified no causes for concern in pay levels nor pay structure, and there are no significant votes against pay. As such we have voted in favour of management on executive pay. In regards to the proposal to amend the Long Term Incentive Plan to increase the number of shares available for issuance under the Omnibus Plan by an additional 6,460,000 shares and extend the term of the Omnibus Plan to June 4, 2031, we have no dilution concerns and have decided to vote in favour.

Due to G pillar controversies[[6]](#footnote-5), we have concerns about the ESG credentials of KPMG Accountants in relation to other auditors. However, these concerns are not elevated enough for us to vote against management. As such, we have chosen to abstain. We have voted in favour of management for all other proposals.

eBay

Rationale communicated to investor relations team: May 14, 2021

 ir@ebay.com

Hello,

I am writing to communicate ECO Advisors’ stance regarding a proposal in the upcoming AGM. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the June 2021 eBay Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees eBay as an ESG leader and exhibits particularly strong governance. In regards to board nominations, the nominations include three or more females, meeting the ECO Advisors threshold of minimum three female board members in developed markets. There are also no significant shareholder votes against any director. After careful consideration ECO Advisors has decided to vote for the re-election of the stated board members. In regards to executive pay, ECO Advisors is pleased to see that eBay’s pay structure is in line with our expectations, and demonstrates a commitment to long-term incentivisation and goals, including an effective CEO equity policy. We are also very pleased to note newly introduced ESG Performance Goals. Beginning in 2021, the qualitative assessment of individual performance within the annual cash incentive plan, which accounts for 25% of the incentive opportunity for our NEOs, will include sustainability and Diversity, Equity and Inclusion factors. As we have identified no causes for concern in pay levels nor pay structure, we have voted in favour of management on executive pay. There are two shareholder proposals. The first is in favour of permitting written consent by shareholders. ECO Advisors has decided to vote for this proposal, which is against management. We view this proposal as advancing the democratic powers of shareholders and transparency. The second is a recommendation that eBay Inc. improve the executive compensation program by including the CEO pay ratio factor. eBay’s CEO pay ratio was 135 to 1 in 2019. After careful consideration, and considering that there were significant votes against pay previously (11.6%), ECO Advisors decided to support this proposal, which is against management. We have voted in line with management on all other proposals.

B2Gold

Rationale communicated to investor relations team: June 3, 2021

imaclean@b2gold.com

Hello,

I am writing to communicate ECO Advisors’ stance regarding a proposal in the upcoming AGM. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the June 2021 B2Gold Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees B2Gold as an ESG improver and exhibits particularly strong governance. However, in regards to the board nomination proposal, the board does not meet the ECO Advisors threshold of three females in developed markets. As per our voting policy, we have abstained on all board member renominations. Academic research suggests that three women may constitute a critical mass to allow women to contribute more equally to group decision making. Increasing the number of women to three or more enhances the likelihood that women’s voices and ideas are heard and that boardroom dynamics change substantially.

In regards to executive pay, ECO Advisors notes no causes for concern. Pay levels and pay structures are within expectations. However, we note that there aren’t explicit ties linking pay to sustainability, and the CEO equity policy is three times the salary, which is below the ECO Advisors best practice expectations of five times. We view this threshold as promoting long-term incentives and appropriate risk-taking by executives. We have decided to vote in favour of the remuneration proposal. We have voted in favour of management on all other proposals.

Microsoft Corporation

Rationale communicated to investor relations team: October 25, 2021

msft@microsoft.com

Hello,

I am writing to communicate ECO Advisors’ stance on the proposals in the upcoming AGM. ECO Advisors is a boutique asset management firm based in the UK that puts ESG at the heart of investment and stewardship decisions. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In accordance with shareholder best practice we communicate our voting decisions and rationale with investee companies prior to the AGM. In regards to the November 2021 Microsoft Corporation Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees Microsoft as an ESG leader. In regards to board nominations, the board includes five female directors, exceeding ECO Advisors’ voting requirements for developed markets. There are also no significant shareholder votes against any director. After careful consideration ECO Advisors has decided to vote for the re-election of the stated board members. In regards to executive pay, ECO Advisors notes shareholder concerns from previous years. We recognise that Microsoft has engaged investors representing approximately 50% of outstanding shares in the past year on its executive pay practices. This included calls led by the Compensation Committee Chair and Independent Board Chair focused on soliciting shareholders’ perspectives on compensation structure and disclosure. We note the following feedback themes and changes the company has made to its fiscal year 2021 compensation program.

Feedback themes:

* Increase the component of the annual cash incentive based on pre-established metrics to further strengthen our CEO’s accountability to achieving results on the objective financial metrics that most closely align with our business strategy
* Shift the mix of our CEO’s equity to be majority performance stock awards
* Include a downside adjustment on the PSA payout, so that the TSR multiplier provides both upside and downside exposure for executives

Actions taken:

* Increased the weighting of the financial metrics portion of the CEO’s annual cash incentive from 50% to 70%
* Increased the portion of our CEO’s equity awards tied to performance metrics from 50% to 70%
* Revised the TSR modifier to the performance stock awards for all named executive officers to provide for a reduction in payout for all PSA recipients, if relative TSR falls below the 40th percentile of the S&P 500

We commend Microsoft for being proactive in engaging shareholders and responsive to their concerns about executive compensation. As a result of these changes, we have chosen to vote in favour of executive compensation. Additionally, the CEO equity policy is 15 times the salary, which exceeds ECO’s threshold of five times to be considered effective incentivisation. However, we note that there are not yet any obvious ties to sustainability and ESG best practice in the executive compensation policy. Microsoft has commented that they are seeking feedback from investors and compensation experts as they “thoughtfully consider further future enhancements that connect executive compensation to Microsoft’s environmental and social commitments.” We also note that Microsoft made a decision to use semi-annual goals for the financial metrics used in both their cash incentives and performance stock award portions of their executive compensation. In our opinion, Microsoft was a significant beneficiary of market conditions during the COVID-19 pandemic and consequently we see no rationale for a goal or target adjustment. While we voted in favour of the proposal, we wish to communicate our above views. We have also chosen to ratify the proposal to renominate Deloitte & Touche LLP as the auditor for 2022 and the Employee Stock Purchase Plan.

There are five shareholder proposals put forward at this AGM. We detail our voting intention and rationale on each proposal below.

The first shareholder proposal calls for better pay inequity disclosure. The shareholder proposal argues that “Microsoft reports parity for statistically adjusted gaps but ignores unadjusted median gaps, which address the structural bias women and underrepresented minorities face regarding job opportunity and pay, particularly when white men hold most higher paying jobs.” Microsoft discusses pay equity in its annual Global Diversity & Inclusion Report, and also reports representation data for race and gender, providing specific breakdowns, such as tech roles versus non-tech roles; manager versus individual contributor roles; and executive, leadership, and middle management roles. However, we do not agree with management’s response that pay gap disclosure would not advance their commitment to representation of women and racial minorities in higher paying roles. We welcome better disclosure that includes unadjusted median gaps, as put forward in the shareholder proposal, as part of Microsoft’s commitments to pay equity. As such, we are voting in favour of the proposal, which is against management.

The second shareholder proposal calls for better disclosure around gender discrimination and sexual harrasment allegations. In 2012, a class-action lawsuit was brought by 238 Microsoft workers alleging gender discrimination and sexual harassment.

The proposal calls for:

* Effectiveness of sexual harassment and gender discrimination policies, trainings, and measures
* Results of any independent investigation into executive level allegations, including recent Gates’ allegations
* Steps taken (or that could be taken) to hold employees and executives accountable
* Number of sexual harassment cases investigated and the resolution

Management argues that this proposal is unnecessary because Microsoft has adopted plans to begin annual public reporting in this fiscal year on Microsoft’s implementation of our sexual harassment and gender discrimination policies. We believe that the proposal is still valuable in ensuring that the above metrics and information is included and is transparent in the planned disclosure. As such we have decided to vote in favour of the proposal, which is against management.

The third shareholder proposal calls for the banning facial recognition technology sales to government entities due to concerns about racial bias and individual privacy. Microsoft said in 2020 that it “will not sell facial recognition technology to police departments in the United States until strong regulation, grounded in human rights, has been enacted.” However, the company’s position does not address potential sales to local, state or federal agencies, or to governments outside the U.S. While ECO Advisors agrees that the sale of facial recognition technology to foreign governments with histories of human rights abuses is a concern, we do not agree that a broad ban on the sale of facial recognition technology advances the interests of Microsoft and its shareholders. We agree with management that “There is no ‘one-size-fits-all’ approach to facial recognition technology”, and that while there are valid concerns around the technology, the conversation, and any solutions, may be more nuanced than this proposal suggests. As such, we have decided to vote against the shareholder proposal, which is in favour of management.

The fourth shareholder proposal calls on the Board to provide metrics used by the Company to assess its progress in implementing the Fair Chance Business Pledge, a White House initiative focused on eliminating barriers to employment for those with a criminal record. The proposed metrics are:

1. Number of formerly incarcerated jobseekers that gained employment since the Company signed the Pledge, compared to similar data prior to signing this pledge

2. Racial and ethnic demographics on formerly incarcerated jobseekers that were and were not offered employment

3. Whether and how criminal backgrounds were considered in the evaluation of unsuccessful applicants

4. If and how hiring processes were modified, halted, or added in implementation of the Pledge

5. Whether any technology in the hiring process limit hiring formerly incarcerated applicants such as automated algorithms that eliminate job applications with complicated histories or résumé gaps

6. Effectiveness of partnerships, if any, with nonprofit job-training organizations focused on people with criminal records.

We recognise and commend Microsoft’s effort in implementing the Fair Chance Business Pledge and that that company has also joined the Business Roundtable’s Second Chance Coalition. In response to discussions of the sponsors of this proposal Microsoft responded that in 2020 more than 98% of those flagged during pre-onboarding as having a criminal record successfully proceeded through review to hiring. We believe that better disclosure around this issue will reflect positively for the company and have decided to vote in favour of the proposal, which is against management.

The final shareholder proposal calls for better disclosure around Microsoft’s lobbying practices. Microsoft spent $9,464,000 on federal lobbying in 2020, including on privacy, defense, homeland security, and border militarization. The proposal alleges that there are discrepancies between company policy and lobbying practices, and that the company’s Principles and Policies for Guiding Microsoft’s Participation in the Public Policy Process, fail to address investor concerns about this misalignment. Microsoft has recognised that there is strong investor interest in this topic and responded by detailing that its Microsoft Corporation Stakeholders Voluntary Political Action Committee will begin producing a new annual report detailing the governance, criteria, and disbursements of its political action committee and public policy agenda, beginning in calendar year 2022. We support the notion that the company should report on how the company plans to mitigate risks created by any misalignment. However, as the proposal has not put forth specific metrics to be included in the report, we have decided to abstain on this proposal in order to allow the company to demonstrate its commitment to this shareholder concern in its upcoming 2022 report. If we feel the concerns were not addressed by this report we will communicate our concerns to the company.

We have voted in favour of management on all other proposals. We hope communicating our voting rationale is helpful for the management and board in pursuing ESG best practice.

Response

October 26, 2021

Melanie.Horton@janushenderson.com

Thank you for the time and thought you’ve clearly put into both considering the matters for a vote at our 30 Nov. AGM and communicating your rationale to us. It’s much appreciated.

Best regards,

Steve

Vail Resorts

Rationale communicated to investor relations team: October 28, 2021

investorrelations@vailresorts.com

Hello,

I am writing to communicate ECO Advisors’ stance on the proposals in the upcoming AGM. ECO Advisors believes in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and investee companies. In regards to the December 2021 Vail Resorts Annual General Meeting the company has voted in accordance with ECO Advisors’ Engagement Policy which specifies that we “[expect] to vote in line with management, except in cases where there are grounds for concern about the ESG-related effect or standard of an outcome…ECO may vote against a management resolution to express dissatisfaction if we believe that the resolution falls short of ESG best practice, especially when looked at on a peer relative basis.”

ECO Advisors sees Vail Resorts as an ESG leader. In regards to board nominations, the board includes three or more female directors, meeting ECO Advisors’ voting requirements for developed markets. There are also no significant shareholder votes against any director. After careful consideration ECO Advisors has decided to vote for the re-election of the stated board members. In regards to executive pay, ECO Advisors notes that the company’s executive pay compensation is structured in a way that effectively incentivises long-term decision making. This includes an emphasis on performance-based compensation and restricted share units, while the base salary comprises about 25% of overall compensation. However, after reviewing the total CEO realised pay relative to industry peers, we believe that the options granted are more excessive than necessary to properly incentivise executives. We also note a lack of pay linked to sustainability and ESG goals. For this reason we have decided to abstain on the proposal to approve executive compensation. We have voted in favour of management on all other proposals.

We hope communicating our voting rationale is helpful for the management and board in pursuing ESG best practice.

1. KPMG has a very high risk penalty deduction. This is likely due to KPMG’s cheating on audit inspections, and doctoring of records to conceal transgressions. [↑](#footnote-ref-0)
2. Bebchuk, Lucian, et al. “What Matters in Corporate Governance?” *SSRN Electronic Journal*, 2004, doi:10.2139/ssrn.593423. [↑](#footnote-ref-1)
3. Sexual misconduct allegation; discriminatory code of conduct for women. [↑](#footnote-ref-2)
4. KPMG has a very high risk penalty deduction. This is likely due to KPMG’s cheating on audit inspections, and doctoring of records to conceal transgressions. [↑](#footnote-ref-3)
5. Sexual misconduct allegation; discriminatory code of conduct for women. [↑](#footnote-ref-4)
6. KPMG has a very high risk penalty deduction. This is likely due to KPMG’s cheating on audit inspections, and doctoring of records to conceal transgressions. [↑](#footnote-ref-5)