

# Management Proposals

The table below profiles broad categories and select examples of our voting activity on management proposals in 2024. Each case is unique, but the high-level picture reflects our views on issues such as director elections, share issuances and executive remuneration, and how often those proposals met our expectations. The particular positions that led to our opposition on these issues are articulated in our Proxy Voting Guidelines but are most commonly a reflection of concerns on the clarity of disclosure, board composition, the structure of executive compensation plans, the adoption of director and officer liability or indemnification clauses, or the capital management practices of a company.

Management Proposals	Supported Proposal		Opposed Proposal	
<b>AUDIT-RELATED</b>	7,484	98%	176	2%
Appointment of Auditor	627	96%	26	4%
<b>BOARD-RELATED</b>	30,533	89%	3,867	11%
Election of Directors	26,903	90%	2,854	10%
Ratification of Board Actions	1,069	91%	101	9%
Related Party Transactions	333	94%	21	6%
<b>CAPITAL MANAGEMENT</b>	2,684	86%	435	14%
Authority to Issue Shares	569	78%	162	22%
Increase in Authorized Common Stock	82	89%	10	11%
<b>CHANGES TO COMPANY STATUTES</b>	1,498	91%	152	9%
Adoption of Majority Voting for the Election of Directors	6	100%	0	0%
Adoption of Right to Call a Special Meeting	18	100%	0	0%
Amend Articles, Constitution, Bylaws	348	90%	38	10%
Elimination of Supermajority Requirement	59	100%	0	0%
<b>COMPENSATION</b>	6,086	83%	1,206	17%
Advisory Vote on Executive Compensation	2,050	83%	426	17%
Stock Option Plan	135	72%	52	28%
<b>MERGERS AND ACQUISITIONS</b>	468	96%	22	4%
Divestiture/Spin-off	33	100%	0	0%
Merger/Acquisition	252	95%	14	5%

Source: Neuberger Berman. Data for the calendar year 2024.

# KEY MANAGEMENT PROPOSAL VOTES IN 2024

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## Norfolk Southern Corporation

**MEETING DATE:** May 2, 2024

**PROPOSAL:** Elect Dissident Nominees

**OUR VOTE:** For

**VOTE RESULT:**

- Elect William Clyburn, Jr.: Pass
- Elect Sameh Fahmy: Pass
- Elect Gilbert Lamphere: Pass
- Elect Betsy Atkins: Fail
- Elect James Barber, Jr.: Fail
- Elect John Kasich: Fail
- Elect Allison Landry: Fail

**OUR RATIONALE:** Norfolk Southern Corporation's recent relative operating ratio underperformance and derailments heightened concerns regarding operational efficiency, strategy, and safety and service. Given limited research and development or the introduction of new products in the rail industry, we believe a strong management team that is capable of driving consistent operational performance is that much more critical to both customer satisfaction and stock performance success. For these reasons, we supported the election of dissident nominees Betsy Atkins, James Barber, Jr., William Clyburn, Jr., Sameh Fahmy, John Kasich, Gilbert Lamphere, and Allison Landry.

**OUTLOOK AND OUTCOMES:** Three of the seven dissident nominees were elected to the board.

## Newmont Corporation

**MEETING DATE:** April 24, 2024

**PROPOSAL:** Elect Thomas Palmer

**OUR VOTE:** Against

**VOTE RESULT:** 98.8%

**OUR RATIONALE:** We have concerns with CEO Tom Palmer's leadership at the company given strategic missteps that we believe have resulted in cost overruns, production shortfalls, and poor stock performance relative to peers. We believe Tom Palmer's leadership as CEO has fallen short in several areas, including failure to meet operational targets related to its production guidance, leading to downward adjustments and raising concerns about the company's operational efficiency and reliability.

**OUTLOOK AND OUTCOMES:** While CEO Thomas Palmer was reelected to the board, we continue to engage the company, including traveling to the company's headquarters, to share our perspectives.

## Waste Connections, Inc.

**MEETING DATE:** May 17, 2024

**PROPOSAL:** Election of Directors

**OUR VOTE:** For

**VOTE RESULT:** 97.9%

**OUR RATIONALE:** We believe the management team at Waste Connections has admirably and sufficiently implemented worker safety management plans that have resulted in multi-year low safety incidents and reduced employee turnover trends, which we view as a leading indicator of risk particularly in the environmental solid waste space given the high-risk nature of the business. Further, the total annual turnover, both voluntary and involuntary, has decreased from around 35% in 2022-2023 to 27% in 4Q23 which has contributed to improved financial benefits at the company, such as lower insurance costs. Given the materiality and direct impact of employee turnover on the company's financial and P&L performance, we were pleased to learn that WCN aims to further reduce employee turnover to the low 20s percentage range.

**OUTLOOK AND OUTCOMES:** All directors were reelected to the board.

# KEY MANAGEMENT PROPOSAL VOTES IN 2024

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## 3M Company

**MEETING DATE:** May 14, 2024

**OUR VOTE:** **Against**

**PROPOSAL:** Advisory Vote on Executive Compensation

**VOTE RESULT:** 45.0%

**OUR RATIONALE:** We have concerns with the design of the long-term incentive plan and the company's adjustment of financial performance results to exclude the impact of its recent legal settlements which ultimately resulted in near-target payouts under the short-term incentive plan. While we acknowledge that the issues concerning these settlements predate the current management team, who we note have taken significant steps to seek resolution of these claims, we encouraged the company to use the discretion delegated to the Compensation Committee to ensure appropriate alignment of executive's compensation to the shareholder experience moving forward. This would ideally ensure sufficient management oversight of product quality and safety, litigation risk, and ultimately shareholder value. We also have concerns with the structure and lack of performance elements tied to the one-time awards granted to Mr. Bryan Hanson prior to the spin-off of Solventum, and believe his make-whole awards should more closely reflect not only the quantum, but also the structure of his forfeited awards.

**OUTLOOK AND OUTCOMES:** This proposal did not pass and we continue to engage the company on this topic and encourage improvements.

## Transdigm Incorporated

**MEETING DATE:** March 7, 2024

**OUR VOTE:** **For**

**PROPOSAL:** Elect Robert J. Small

**VOTE RESULT:** 88.13%

**OUR RATIONALE:** For several years, we have encouraged the board to appoint a lead independent director and have historically withheld support from members of the Nominating and Corporate Governance Committee because the chair of the board was not independent, and a lead independent director had not been appointed. In late 2023, the independent directors named Robert J. Small as the company's first lead independent director.

**UTLOOK AND OUTCOMES:** We are pleased with the company's responsiveness to our feedback.

# Shareholder Proposals

The number of shareholder proposals we voted on remained relatively flat in 2024, while our average level of support decreased by 2 percentage points to 32%. This is due to both a higher number of proposals on topics we deemed immaterial and improved company disclosures and progress in line with our expectations. We continued to support resolutions that focused on financially material topics for the relevant company where we determined company practices or disclosures warranted improvement. This included emerging topics such as AI governance where best practices and disclosure expectations continue to develop. Additionally, given the potential reputational impact of the use of company funds in relation to trade associations and political processes, we continued to closely evaluate resolutions pertaining to political spending or lobbying activities. Below we provide examples of key shareholder proposals to illustrate the factors considered and rationales that underpinned our vote decisions.

Shareholder Proposals	Supported Proposal		Opposed Proposal	
<b>ENVIRONMENTAL</b>	31	16%	157	84%
Just Transition	4	67%	2	33%
Reducing Greenhouse Gas Emissions	16	38%	26	62%
Sustainability or Environmental Reports	3	43%	4	57%
<b>SOCIAL</b>	84	29%	203	71%
Oversight of Artificial Intelligence	10	91%	1	9%
Reviewing Political Spending or Lobbying	29	49%	30	51%
<b>GOVERNANCE</b>	156	48%	172	52%
Declassification of the Board	9	100%	0	0%
Eliminating Supermajority Provisions	31	69%	14	31%
Majority Vote for Election of Directors	22	100%	0	0%
Recapitalization	6	100%	0	0%
Right to Call a Special Meeting	5	19%	21	81%
Separation of Chair and CEO	33	79%	9	21%
Elimination of Supermajority Requirement	31	16%	157	84%

Source: Neuberger Berman. Data for the calendar year 2024.

# KEY SHAREHOLDER PROPOSAL VOTES IN 2024

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## Wingstop Inc.

**MEETING DATE:** May 23, 2024

**OUR VOTE:** For

**PROPOSAL:** Shareholder Proposal regarding Reporting and Reducing GHG Emissions

**VOTE RESULT:** 51.68%

**OUR RATIONALE:** We understand that company is mindful of its environmental footprint and that it engages in various initiatives to continuously improve its sustainability practices and minimize the environmental impact of its operations. We were also pleased to see that in 2023, the company began implementing a utilities management solution to gain visibility into its emissions data at its corporate headquarters and company-owned restaurants. However, we supported a shareholder proposal requesting the disclosure of emissions data given the financially material risk that climate change poses to the company, and the company's lack of disclosed emissions data at the time. As provided in the company's 10-K filing, these risks include threats to agricultural supply chains, ingredient prices and restaurant operations.

**OUTLOOK AND OUTCOMES:** The proposal was supported by a majority of shareholders, and we continue to engage with the company on this matter.

## NextEra Energy, Inc.

**MEETING DATE:** May 23, 2024

**OUR VOTE:** Against

**PROPOSAL:** Shareholder Proposal regarding Disclosure of a Board Diversity and Skills Matrix

**VOTE RESULT:** 40.3%

**OUR RATIONALE:** In 2023, we engaged and encouraged the company to disclose an individualized director skills matrix. While its existing board diversity disclosure provided met our governance expectations for operating companies, we believed there was opportunity to enhance board composition disclosures. For this reason, we were pleased to see that since then the company has enhanced existing disclosures through the inclusion of an individualized director skills matrix. Given the company's response to shareholder feedback, we voted against the shareholder proposal.

**OUTLOOK AND OUTCOMES:** This proposal did not receive majority support of shareholders.

## Alphabet Inc.

**MEETING DATE:** June 7, 2024

**OUR VOTE:** For

**PROPOSAL:** Shareholder Proposal regarding Human Rights Impact Assessment of AI-Driven Targeted Advertising

**VOTE RESULT:** 18.5%

**OUR RATIONALE:** While we recognize the company's efforts and due diligence to manage related risks, and do not view it as a laggard, we believe that enhanced disclosure would indicate the high priority the company puts on this matter and would give shareholders comfort that the responsible use of AI is of paramount importance to the Alphabet Board. More broadly, given the nascency and dynamic nature of AI, coupled with the rapidly evolving regulatory landscape, we believe shareholders would benefit from additional disclosure regarding the steps taken to mitigate risks and key metrics used to measure the effectiveness of the company's efforts to address AI-related risks.

**OUTLOOK AND OUTCOMES:** While this proposal did not pass, we continue to engage the company on this topic and encourage improvements.



# KEY SHAREHOLDER PROPOSAL VOTES IN 2024

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## Kinden Corporation

**MEETING DATE:** June 7, 2024

**OUR VOTE:** For

**PROPOSAL:** Shareholder Proposal regarding Appropriation of Surplus

**VOTE RESULT:** 26.8%

**OUR RATIONALE:** We find Kinden's excessive cash position and extensive cross-shareholdings to be an inappropriate use of shareholders' capital and believe they should be allocated to future growth investments or returned to shareholders if deemed surplus. While we acknowledge that the company has made progress in addressing capital inefficiency by enhancing the shareholder return policy in its latest mid-term plan announced in January 2024, we believe there is opportunity to further improve its balance sheet efficiency and enhance transparency regarding financial discipline measures, such as a minimum cash level. We believe adopting the proposal would serve the interests of minority shareholders by enhancing the company's capital efficiency and financial metrics such as higher EPS and ROE.

**OUTLOOK AND OUTCOMES:** While this proposal did not pass, we continue to engage the company on this topic and encourage improvements.

## Keisei Electric Railway

**MEETING DATE:** June 27, 2024

**OUR VOTE:** For

**PROPOSAL:** Shareholder Proposal Regarding Management of Investment Securities

**VOTE RESULT:** 30.0%

**OUR RATIONALE:** Due to the Company's lack of transparency regarding its plans to further reduce its ownership in The Oriental Land Company ("OLC") and to use those proceeds to grow corporate value, we believed support for the shareholder proposal was warranted as its implementation would both increase transparency of the Company's capital management strategy and improve the Company's capital efficiency and sustainable growth as these proceeds can be used to either reinvest for growth opportunities or be redistributed to shareholders.

**OUTLOOK AND OUTCOMES:** While this proposal did not pass, we continue to engage the company on this topic and encourage improvements.