Seilern Investment Management Ltd

Voting Report

1st January 2025 to 31st December 2025

Introduction

At Seilern Investment Management Ltd ("SIM"), our goal is to vote on each investee company's Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM") resolutions, including shareholder resolutions and corporate actions. We do this because it is our duty and fiduciary obligation to exercise the rights that we have as shareholders in the best interests of our clients. We take the opportunity to vote seriously as it allows us to encourage boards and management teams to consider and address areas where we have concerns, along with areas that we want to support. SIM will normally vote with management recommendations unless a proposal conflicts with its investment philosophy. SIM has access to proxy voting research, currently from Institutional Shareholder Services ("ISS") and Glass-Lewis to assist us with the assessment of resolutions and contentious issues. Although we are cognisant of proxy advisers' voting recommendations, we do not delegate or outsource our stewardship activities when deciding how to vote on our clients' shares.

This document is an annual report of our voting. It includes an overview of our voting statistics and an explanation of the most significant votes which we generally define as any vote involving companies where aggregate holdings exceed 1% of outstanding shares as at the date of record or votes on key issues that illustrate and explain the application of SIM's internal voting philosophy.

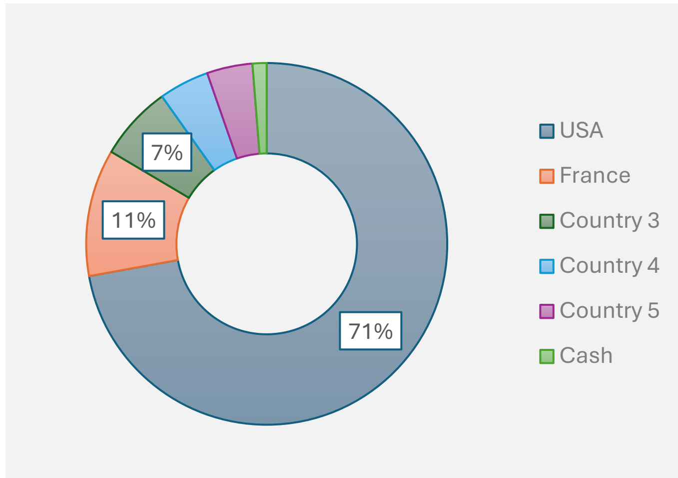
Voting Statistics

For calendar year 2025, SIM voted 713 of the 713 available proposals across 42 meetings.

Table 1: Vote details

Total Items Voted	713	100%
For	649	91%
Against	64	9%
Abstain or withheld	0	0%
Votes on Management Say on Pay	54	8%
With management	682	96%
Against management	31	4%
Shareholder proposals	40	6%

Figure 1: Regional Voting Breakdown (countries disclosed above 10%)



Significant Votes

I) Independence of Committees & The Board of Directors

Principle

Directors are the stewards of the business, responsible for setting the company's aims and objectives and ensuring that these are achieved. The board is especially important as it is the link between the shareholders (to whom the board is accountable) and the executives (who are accountable to the board). Setting the long- and short-term goals of a company and planning for their achievement is an activity that is both difficult and demanding and there are several ingredients that are necessary to execute this effectively. First, the board must have the relevant balance of experience to add value, which includes a balance between insiders (who know the business well) and outsiders (who can bring fresh perspective). Second, they must have the time and space to perform their tasks to the best of their ability. Third, they must show commitment to their role and their responsibilities.

The role of the Chair is especially important. The Chair requires all the qualities above as well as the leadership necessary to steer the board in the direction of the company's goals. While we prefer the role of CEO and Chair to be separate to promote accountability, we also accept this role being combined.

Action

In 2025, SIM voted against the recommendation of management where we did not believe that the burden of independence was met, and with management where we disagreed with proxy providers' narrower definition of independence.

Kone

We voted, once again, against the re-election of Matti Alahuhta as director and against Kone's remuneration report (see Section III below). On Mr. Alahuhta's independence, the company confirmed that their position has not changed: they consider him independent and the Finnish Corporate Governance Code supports this view. Our position is equally unchanged. We believe the facts – his role as CEO of Kone from 2005 to 2014 and his continued relationship with the Herlin family – make him a 'close person' to the controlling shareholders, and that his presence on the board reduces effective independence. The company acknowledged our concerns and indicated they would pass them to the board, consistent with prior years' engagement.

We voted in favour of the re-election of both Antti Herlin and Jussi Herlin, disagreeing with ISS and Glass Lewis respectively. On Antti Herlin, ISS objected primarily on grounds of his beneficial interest in the company's unequal voting rights structure. We note that unequal voting rights are not uncommon in family-controlled companies and that they can serve the long-term interests of shareholders by preserving founder alignment. ISS also objected to both Antti and Matti Alahuhta sitting on the remuneration committee as non-independent members; we do not accept the conclusion that this alone is grounds for voting against Antti Herlin. On Jussi Herlin, Glass Lewis objected on grounds of non-independence given his membership of both the audit and remuneration committees. Under Finnish law, only 75% of audit committee representatives are required to be independent. With three of the five audit committee members being independent (Susan Duinhoven, Marika Fredriksson, and Timo Ihamuotila), the legal threshold is met. We voted to re-elect Jussi Herlin on this basis.

We also voted to re-elect Marika Fredriksson, the chair of the audit committee, despite Glass Lewis recommending against on the basis that only three audit committee meetings were held in 2024 rather than the four it considers best practice. This is a longstanding convention at Kone, not a breach of any legal or regulatory requirement; Finnish company law does not mandate a specific number of audit committee meetings. We noted the positive development that, with the addition of new independent directors, the company expects to increase audit committee meetings to four per year going forward.

Novo Nordisk – Extraordinary General Meeting (November 2025)

At the November EGM, SIM voted in favour of all five shareholder-nominated director candidates proposed by the Novo Nordisk Foundation and Novo Holdings, including Lars Rebien Sorensen as Chair and Cees de Jong as Vice Chair. ISS recommended abstaining on all five proposals. We took a different view: the candidates represent the long-term controlling shareholders of the business and, in our assessment, bring the relevant experience and commitment necessary to provide effective stewardship of the company during a period of significant strategic importance.

II) Alignment of Interests

Principle

The alignment of interests among executives, the board of directors, and shareholders is crucial to foster sustainable growth and ensure accountability. It is important that the executives, who are responsible for the day-to-day operations and the execution of the strategy, share a common interest with the underlying owners. When these three groups are working in concert, a company is better positioned to navigate challenges, capitalise on opportunities and achieve its strategic objectives.

Action

IDEXX Laboratories

We voted against a proposal to amend IDEXX's certificate of incorporation to allow the exculpation of certain officers from personal liability for breaches of the duty of care. This is the same type of proposal we voted against at Veeva in 2024, where the Delaware Legislature's 2022 legislation enabled companies to limit or eliminate officer liability in this manner.

Our position is consistent: while proponents argue this brings officer liability protection in line with that enjoyed by directors, and aids talent attraction and retention, we believe that removing liability for breaches of the duty of care risks lowering the standard to which officers are held when executing their responsibilities to shareholders. We continue to take a restrictive view on proposals of this nature.

III) Remuneration

Principle 1

We believe that companies ought to be run in the long-term interests of the owners of the business (the shareholders) and for management and the board to be remunerated in line with that. The correct incentive structure as well as proper alignment of those incentives are key. We vote in favour of proposals where we feel that the incentives are clear, proportionate, and aligned with shareholders and against proposals where we feel that they are not. In practice this often means that we look closely at the remuneration structures of management, preferring packages that maximise the 'skin in the game' for management and link their performance to metrics that drive shareholder value. Because of this, we generally prefer that the company has hurdles composed of a combination of growth (the higher up the profit and loss account the better) and high-quality returns-based metrics (linked to return on invested capital rather than return on equity) and to use metrics that have less potential to be manipulated (reported rather than adjusted numbers).

Principle 2

In order to maintain competitive advantages, companies must have access to top talent. In order to access top talent, companies often must remunerate well. We believe that companies ought to be able to pay their staff well and the fact that top employees in certain companies are paid in excess of peer group averages is not, in and of itself, a reason to vote against remuneration proposals. However, we are also cognisant of 'races to the top' with respect to talent and believe that decisions to pay in excess of peer group averages ought to have clear and transparent justification.

Action

In 2025, SIM voted against management on several remuneration proposals:

EssilorLuxottica

We voted against the compensation report for corporate officers and against the remuneration policies of both the Chairman & CEO and the Vice-CEO. Following our internal discussion of the board's rationale for executive compensation, we found the provided clarity and justification to be insufficient. This is a recurring concern across consecutive years.

A second notable amendment was the introduction of an "exceptional award" mechanism, permitting the Board to grant additional compensation (cash or shares) in extraordinary circumstances, subject to board decision, full disclosure, and ex post shareholder approval, with a predefined cap. While procedural safeguards are articulated, the triggers for use and the rationale for an additional discretionary layer remain insufficiently defined. Our concern is that the mechanism creates opacity around what constitutes "exceptional" circumstances and may facilitate remuneration increases beyond what shareholders would accept through the ordinary approval process. The company's engagement on this issue has been active and professional, but we remain unconvinced that the quantum and framing of awards represent proportionate remuneration relative to shareholder expectations.

SGS

We voted against the non-binding remuneration report, against the variable remuneration for the Executive Committee of CHF 10.9 million, and against the Long-Term Incentive Plan for the Executive Committee of CHF 13 million for fiscal year 2026. We also voted against the 'transact other business' proposal (see Section V, Disclosure).

Our specific concern relates to changes made to the remuneration structure: the removal of Return on Invested Capital (ROIC) from the Short-Term Incentive (STI) metrics, and the addition of Earnings Per Share (EPS) to the Long-Term Incentive Plan (LTIP). We engaged with the company's Director of Investor Relations prior to the AGM and requested a call to discuss these changes in detail ahead of our voting deadline on 18 March 2025.

The company's written response explained that STI metrics had been aligned with guidance metrics (organic growth, profit margin, and free cash flow) and that ROIC is not part of their guidance to investors, and that EPS was added to the LTIP to align it with long-term shareholder interests. We found this explanation insufficient. The removal of ROIC, in our view, is a significant negative: ROIC is a direct measure of capital allocation quality and is harder to manipulate than EPS. The addition of EPS to the LTIP raises a concern that management's incentives may increasingly favour value-destructive M&A – where acquisitions boost EPS through accretion but destroy value at the margin – at the expense of organic growth in the core business.

Kone

We voted against the advisory remuneration report. Our concerns centred on the extra-contractual payments made to Henrik Ehrnrooth, the outgoing President and CEO, in connection with his departure at end-2023. As discussed with Kone IR, the company's position is that the payments were designed to make Mr. Ehrnrooth 'whole' for his contribution and were a negotiation to ensure a smooth transition and cooperation with the appointment of the new CEO. A separate exit agreement replaced the contractual notice of termination and severance payments.

We acknowledge that there is some rational basis for such a payment: Mr. Ehrnrooth's departure does not appear to have been for any clear negative reason and he is not retiring. However, there are significant transparency concerns surrounding both the awards. The awards appear high relative to what would have resulted from a traditional severance arrangement, and the specific performance metrics claimed to have been achieved – which the company confirmed were financial targets already included in the STI and LTI incentive structure – were not disclosed in detail. Generally, while there is a fair argument for pay-for-retention measures, in this case there was no retention element: these rewards were for the past.

IV) Shareholder Rights & Pre-emption

Principle

We believe a Quality Growth company's equity to be of the utmost importance. As a result, we also believe in protecting against the dilution of shareholders' equity. If equity financing is necessary, we believe pre-emption rights are of the utmost importance. Our natural stance is strict when it comes to voting in favour of granting companies the power to issue equity. While corporate governance practices vary from country to country, and while we note that the UK Pre-Emption Group updated its guidelines in 2022 to increase the permitted threshold to 10%, we believe that this level is excessive and maintain a ceiling of 5%.

We are generally sceptical of large acquisitions, as they are often accompanied by significant risks, and are therefore suspicious when we see acquisitions proposed to be financed with equity capital.

Action

Various Companies

We voted against multiple capital issuance proposals including the approval of share and option issuances without pre-emptive rights, consistent with our standing policy and our votes in prior years.

Sage

At Sage's 2025 AGM, we voted against Resolutions 18 to 21, reflecting concerns around potential dilution and shareholder protection. Resolution 18 sought to remove the existing 5% discretionary dilution limit for share plans, while retaining the broader 10% in 10 years limit across all share plans. Although we recognised the company's rationale, including the broad-based use of share plans and Sage's need to compete for talent in a global technology market, we considered the removal of this additional safeguard to weaken shareholder protection.

In addition, we voted against Resolutions 20 and 21, which sought authority to issue shares for cash without pre-emption rights up to 10% of issued share capital for general corporate purposes, with a further 10% authority for acquisitions or specified capital investment. While we recognise that such authorities can provide companies with useful financing flexibility in limited circumstances, we place a high value on the protection of existing shareholders from dilution. Sage's proposed authorities were aligned with current UK market practice, including the Pre-Emption Group framework, which permits up to 10% of issued share capital for general purposes and a further 10% for acquisitions or specified capital investment. However, we consider this level of non-pre-emptive issuance to be excessive and believe a 5% limit remains more appropriate. We engaged with the company prior to the AGM but ultimately we voted against these resolutions to reflect our preference for more disciplined use of equity issuance authorities.

V) Disclosure

Principle

To understand the economic risks in a business, it is important that we have the right information. As such, we are in favour of more disclosure rather than less, however, we are also aware of the fact that companies operate in competitive environments and some information would be dangerous if it were in the wrong hands. We regularly encourage companies to improve their disclosure and promote activities that help to improve disclosure around useful metrics and information.

Action

Various Companies

We voted against the 'transact other business' proposal at a number of Swiss companies. As in prior years, this is a common proposal brought by Swiss-listed companies; given that we do not know what new items may be raised, there is a risk they may not be in our best interests as shareholders.

VI) Shareholder Proposals

Principle

SIM voted on a number of shareholder proposals in 2025. Many of these originate from activist or ESG-focused shareholders and cover topics including political contributions disclosure, executive compensation reform, human rights reporting, and climate-related disclosures. Our approach is to evaluate each proposal on its own merits, taking into account whether it would generate disclosure or protections that are genuinely useful to long-term shareholders and consistent with our investment philosophy.

Action

Adobe

We voted in favour of a shareholder proposal requiring that future severance agreements be submitted to a shareholder vote, and therefore against the management recommendation. ISS and Glass Lewis both recommended voting in favour.

The board's position is reasonable on its own terms: Adobe currently only provides severance in cases of Change in Control (CIC), and the existing plan caps severance at two times salary – already below the 2.99 times threshold proposed in the resolution. We acknowledge this defence is fair and that the proposal does not, in practice, alter the current situation.

Our reasoning for voting in favour is prospective rather than retrospective. The proposal functions as a safeguard against future changes to the company's severance practices: should the company decide to revise its arrangements upward, the question of whether such a change would itself require a shareholder vote is unclear. In the absence of certainty on that point, we believe it is prudent to support a mechanism that would ensure shareholder oversight of any future increase.