

CONTEXT

Responsible stewardship is fundamental to our investment process. This is because we believe that we are most likely to deliver enduring value to our clients through the careful selection of investment targets and the close monitoring of those companies we hold on our clients' behalf. Before we commit our clients' capital to a company, we undertake detailed due diligence guided by our thematic investment process. Once our clients become owners, we stay close to management as well as industry / sector or broader macro-economic or political developments that could have a bearing on the underlying health of the company.

On occasion, we encounter unexpected threats or risks. In these instances, we review the ownership case. We consider the evidence before us, and whether we can positively influence the path the company might take, or the threat it faces. Where we believe we can play a helpful role to restore or secure the company's prospects, we will seek to do so. However, with any such engagement – whether it is with management, the Board of Directors, regulators or other stakeholders – we will proceed prudently, cognisant of the potential influence we can exert, and in keeping with the relevant regulatory context.

This document sets out principles that govern how we manage company engagements. We hope this offers our clients insight into how we fulfil our stewardship responsibilities on their behalf; and provides the companies with whom we engage (as well as other interested parties) transparency around our motives and the methods we may employ.

PRINCIPLES

A long-term mindset: We aim to work with our clients' companies to promote their long-term prosperity, as we believe this underpins healthy and sustained share price performance. We do not look for short-term fixes that may be achieved at the expense of longer-term performance.

A constructive attitude: We seek to act as partners with companies, which is a natural sequitur to an investment process that looks for strong long-term investment opportunities. We favour thoughtful and self-critical management teams that welcome shareholder views and inputs.

Commitment to challenge disappointing behaviour: While we support management that is doing well, we are committed to raise questions or challenge behaviour we deem to threaten the company's long-term prosperity and our clients' capital.

... we will speak out publicly on any matters of concern where we believe this is necessary or helpful to protect or enhance our clients' capital.

We do not micro-manage: Constructive and active engagement does not mean micro-management. We firmly believe our role is to support effective management teams, and where we have concerns we will communicate these. In the end, however, it is up to the Board and senior management to resolve any challenges, and fine-tune the details of how their plans will be implemented.

We use our clients' voting rights: We are considered, but robust in our approach to voting. We have clear voting guidelines that are publicly available. We are willing to over-ride our voting and governance policies where we believe this is in our clients' interests, and will record our justification for doing so. Where we vote against the Board on an important resolution, and we believe this needs to be communicated to directors, we will initiate a dialogue on our concerns.

Our conversations with companies are generally confidential. We will not make public correspondence from a company that has been written in confidence, unless this is first agreed with the company concerned. Also, our own letters to companies will remain confidential, unless we have explicitly indicated otherwise.

However, **we will speak out publicly** on any matters of concern where we believe this is necessary or helpful to protect or enhance our clients' capital. This may be through our own publications or quarterly reports to clients, or through other news outlets where appropriate. We will normally notify the company if we have been involved in a dialogue with them about concerns we have prior to making a public statement.

We liaise with other shareholders to share concerns and to ensure a more powerful voice where this is appropriate and permitted by the relevant regulatory regime.

We do not seek to be 'taken inside': We operate in public markets and all of our interactions are governed by local laws and regulations that seek to ensure a level playing field for all investors. We are clear that we do not normally wish to receive any material non-public information. In the rare case where we are in receipt of 'inside' information, we have policies to ensure we abide by the required procedures to prevent the spread of this information or any associated trading.

FOR FURTHER INFORMATION PLEASE CONTACT

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