

PRINCIPLES FOR ENGAGED COMPANY OWNERSHIP

SARASIN
& PARTNERS

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WHY WE ENGAGE WITH COMPANIES

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 investments and the close monitoring of 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 and monitor developments that could have a bearing on the underlying health of the company.

On occasion, we encounter threats or risks. In these instances, we review the ownership case and consider whether we can positively influence the path the company might take, or the threat it faces. Where we believe we can assist the company's prospects, we will seek to do so. However, in any such engagement – whether with management, the board of directors, regulators or other stakeholders – we proceed prudently, mindful of the influence we can exert, and in keeping with the regulatory context.

This document sets out the principles that govern how we manage company engagements. We hope this gives our clients insight into how we fulfil our stewardship responsibilities, and provides the companies with whom we engage (and other interested parties) transparency around our motives and methods.

PRINCIPLES

A long-term mindset: We aim to work with companies to promote their long-term prosperity in alignment with long-term societal needs, as we believe this underpins healthy and sustained share price performance. We do not look for short-term fixes at the expense of longer-term performance.

A constructive attitude: We favour thoughtful and self-critical management teams and boards that welcome shareholders' views. We seek strong, long-term investment opportunities, and it is therefore natural that we act as engaged partners with companies in which we invest.

Commitment to challenge disappointing behaviour: While we support management that is doing well, we question or challenge behaviour we deem to threaten a 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. Our role is to support effective management teams, and where we have concerns we will communicate these. However, it is up to the board and senior management to resolve challenges, and fine-tune the details of how their plans will be implemented.

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

Our conversations with companies are generally confidential. We will not make public correspondence that has been written in confidence without prior agreement with the company concerned. Our own letters to companies will also remain confidential, unless we have explicitly indicated otherwise.

However, **we will speak out publicly** on 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, quarterly reports or news outlets. We usually notify a company prior to making a public statement.

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

We do not seek to be 'taken inside': We operate in public markets, and all our interactions are governed by local laws and regulations that seek to ensure a level playing field for investors. We do not normally wish to receive material non-public information. In rare cases 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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IMPORTANT INFORMATION

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