Veritas
— Asset
Management

Real Return
Investing

Veritas Asset Management LLP

Proxy Voting Policy

Introduction and Voting Philosophy

As Investment Managers, on behalf of clients, Veritas has a responsibility to hold Boards to account and ensure that they fulfil their fiduciary duties by managing companies in the best interests of shareholders. Active participation in voting in respect of investee companies is a key tool in enabling the firm to signal views on corporate governance matters to a Board. Where relevant, engagement is used as a tool to influence management decisions. Further guidance on the engagement process is available in the 'Engagement Policy'.

Given the concentrated, focused nature of the investment approach, the investment teams at Veritas have the best understanding of the companies held on behalf of clients and take responsibility of stewardship, including proxy voting responsibilities and this is demonstrated in the firm's commitment to voting on all resolutions tabled. When casting votes, Veritas may draw on the research of an independent voting service provider to help inform decisions, Veritas does not automatically adopt global proxy voting rules from any third-party service as a default vote decision. There have been cases where resolutions brought against management by shareholders for good reason have failed simply because third party proxy firms have recommended voting against the resolution and with management instead. The preference is therefore to maintain independence of decisions based on in-house knowledge of the company. Voting on key issues is rarely done in isolation and is often a follow up of engaging with management.

It is common practice for investors to rely on their Investment Manager to vote, and this responsibility is taken seriously. Segregated clients may choose to indicate how to vote and, in these instances, Veritas will vote in line with the client's wishes, even if this is contrary to the "house view" but will offer an explanation as to why the house view differs.

Veritas seeks to invest in sustainable businesses over the long term at an attractive price and believes that strong management will incorporate sustainability into governance policies and will be better placed to deal with emerging risks and opportunities. The investment strategies are concentrated, consisting of 25-40 stocks and therefore the level of research is extensive, with a significant element of the research effort being centered on evaluating company management and governance, and this will form the basis of voting decisions. This includes the following:

- Management's long-term objectives and how they intend to deploy cash. Do they have a good understanding of target markets, competitive advantages, barriers to entry, any environmental/ social factors relevant to their business that may pose a risk or reward. This is embodied in the rating of management after a meeting. Each Veritas attendee will independently rate management before they are given an overall rating based on an assessment of vision and capability. A change in rating results in a review and potential engagement or reconsideration of a vote. On a case-by-case basis, proposals by companies to increase authorized shares and the purpose of the increase will be reviewed. Veritas is not in favour of dual-class capital structures to increase the number of authorized shares where that class of stock would have superior voting rights.

- Whether management incentives are aligned with shareholders and Key Performance Indicators (KPIs) are reasonable and not too short term. A company's equity-based compensation plan should be aligned with the shareholders' long-term interests and executive compensation should be directly linked to the company's performance, with any incentive plan being fair and reasonable. Severance compensation arrangements will be reviewed on a case-by-case basis.

- Excessive "golden parachutes" are not in the interest of long-term shareholders. The KPIs should focus on longer time periods, which will mean that management will not only focus on short-term risks, but where relevant, will take environmental and social risks into consideration One factor most relevant to Technology companies, is assessment of stock-based compensation which is monitored closely.

- Companies may face significant financial, legal, and reputational risks from poor environmental and social practices. Companies that are managed well are often effective in dealing with the relevant environmental and social issues that pertain to their business. High quality sustainable companies will move quickly to address data protection issues, reduce carbon emissions, understand the need for lower drug pricing etc., and identify opportunities in becoming part of the solution to a growing problem. Companies that do not adjust where necessary become disrupted and the predictability of cash flows is significantly reduced. Where there are concerns around the sustainability/ predictability of a business, a higher margin of safety is required before initiating an investment.

Proxy Voting Policy

Veritas is committed to evaluating and voting proxy resolutions in the clients' best interests and will vote on all proxy proposals, amendments, consents, or resolutions. Votes will be directed against management where it is in the client's best interests; this will primarily occur where the matter to be voted upon will affect shareholder value.

This Proxy Voting Policy is made up of two parts, one of which is ESG specific which consists of the customised ESG Red Lines containing ESG related guidance. The investment team votes on all resolutions. ISS provides vote recommendations and vote execution services.

The Association of Member Nominated Trustees ("AMNT") developed the Red Line initiative to enable pension schemes to take a more active ownership role. Whilst segregated clients own the underlying shares and can direct managers on how to vote, pooled fund investors own units in an underlying Fund, making it challenging to direct voting activity. If multiple pension scheme investors support the policy guidance of the Red Lines, this enables them to request that asset managers direct votes in line with policy guidance.

The environmental Red Lines are in furtherance of the UN Global Compact and the Task Force on Climate-related Financial Disclosures ("TCFD"); they were originally formulated with substantial advice from the Carbon Disclosure Project. The social Red Lines are in furtherance of the UN Global Compact ("UNGC") and the Financial Reporting Council's UK Corporate Governance Code. The governance Red Lines were developed after studying the voting and engagement policies of AMNT's largest pension schemes and basing the Red Lines on the consensus. If one of the Red Lines is breached, votes will be cast in accordance with the Red Line (usually against management) or an explanation of why the vote has been cast contrary to the policy recommendation will be provided (comply or explain'). Veritas has mandated ISS to construct a custom policy for ESG issues, which incorporates the AMNT ESG Red Lines. The ESG Red Lines were developed principally for pooled fund investors (who have been unable to direct votes) and for UK stocks only; however, ISS apply the guidelines globally across all assets for pooled mandates and segregated mandates where the client has not elected to vote themselves. The policy is reviewed on an annual basis to ensure the guidance embodies the principles Veritas deems necessary when voting and incorporates new areas that are evolving in the industry.

If we choose not to vote against management, we will explain the rationale for why not (comply or explain). Often, we will set management targets in writing and agree a timeline. We will then vote with management but explain that if the targets are not met, we will vote against them at the next appropriate occasion.

Global Investment Strategies | Environmental, Social and Governance ("ESG") Red Lines[1]

Environmental	E1	Climate Change: Requirement for an Environmental Sustainability Committee	If the company does not have a sustainability committee with responsibility for environmental issues including climate change chaired by a board director, or if the company is outside the FTSE 350 and does not have a named board member with responsibility for this area as evidence of appropriate concern, vote against the chair of the board.
	E2	Climate change: Task Force on Climate-related Financial Disclosures"	If the company does not report in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) vote against the chair of the board.
	E3	Climate change: introduction and disclosure of emission reduction targets	If the company has failed to commit to introduce and disclose science-based emission reduction targets, a coherent strategy and action plan in line with a 1.5°C scenario, vote against the chair of the board.
	E5	Climate change: disclosure of information via CDP questionnaires	If the company has failed to disclose quantitative and qualitative environmental information through for example CDP's water and forests questionnaires or similar, vote against the re-election of the chair of the sustainability committee or, in the absence of such a committee, against the re-election of the chair of the main board.
	E6	Environmental damage	If the company has a history of major incidents of environmental damage, or a major incident in the year under report, and the directors' report does not include a substantial account of how it is responding to resulting criticism and of the ways in which it proposes to minimise the risks of repetition, vote against the reappointment of the chair.
Social	S1	Requirement for a Corporate Social Responsibility and Health & Safety Committee	If the company does not have a committee responsible for health & safety and for social issues chaired by a board director, or if the company is outside the FTSE 350 and it does not have a named board member with responsibility for these areas as evidence of appropriate concern, vote against the chair of the board.
	S2	Capture and publication of equality monitoring data	If the company has not committed itself to publish within the next 12 months equality monitoring data for its workforce covering at minimum gender, race, and disability, and including management and board, vote against the re-election of the chair of the committee responsible for social issues.
	S3	Minority ethnic representation on boards and senior management	If there is no diversity strategy in place to address a lack of minority ethnic representation at board or senior management level, and there is no visible minority representation at that level, vote against the chair of the nomination committee.

[1] *The policy outlined applies to Global investment strategies. Asian investment strategies are also governed by a bespoke ESG Red Line Voting Policy, tailored to reflect regional disclosure requirements and industry best practices.*

	S4	Representation of women on boards	Vote against the re-election of the chair of the nomination committee if there is no strategy in place to address any underrepresentation of women at board level and within senior leadership positions, none of the roles of Chair, CEO, Chief Financial Officer and senior independent director are held by women, and fewer than 40% of the company's board members are female.
	S7	Breach of labour standards or law	Where a company has breached labour standards or law, or failed to carry out human rights due diligence and disclose the modern slavery risks which are identified in their operations and supply chains, vote against the chair of the committee responsible for corporate social responsibility.
Governance	G1	Directors and the Nomination Committee	If the chair of the board of directors and the position of chief executive have been held by the same person for more than one year, vote against the re-election of the chair of the nomination committee.
	G3	Directors and the Nomination Committee	If a full-time director of the company concurrently holds the chair of another public company or is a director of more than one other public company, vote against that person's re-election.
	G5	Directors and the Nomination Committee	Vote against the re-election of any non-executive director if it could result in that person's continuous service as a director of the company exceeding nine years, unless it is not intended that he or she be treated in future as an independent director.
	G6	Directors and the Nomination Committee	Vote against the re-election of the chair of the nomination committee if the company does not have the minimum number of independent non-executive directors required by Provision 11 of the UK Corporate Governance Code.
	G7	Directors and the Nomination Committee	If any director of a company will have served continuously as such for more than three years without having been re-elected at a general meeting, vote against the re-election of the chair of the board.
	G9	Audit Committee	If the Audit Committee does not have at least one member with recent and relevant financial experience, vote against the re-election of the chair of the nomination committee.
	G10	Auditors and the Audit Committee	If the company's statutory auditors have for a period of 15 years or more been the same, or drawn from the same firm, vote against the re-election of the chair of the audit committee.
	G11	Auditors and the Audit Committee	If over the reporting period relevant to the latest accounts meeting of a company its auditors (including any of their associates) were due to be paid an amount in fees for non-audit services greater than 50% of that properly fixed as remuneration for audit work, or a breakdown of the auditor fees has not been provided, vote against the re-election of the chair of the audit committee.
	G12	Auditors and the Audit Committee	Vote against the re-election of the chair of the board and any non-independent members of the audit committee if that committee is not to not consist entirely of independent non-executive directors.
	G14	Political donations and political expenditure	Vote against political donations and political expenditure.

G15	Pre-emption rights	If authorisation is sought for the directors of a company to allot shares in it without offering full pre-emption to existing shareholders, vote against giving it if the authority is to last beyond the next AGM, or if general exclusion of pre-emption is sought over more than 5% of issued share capital (or more than 10% if for a specified acquisition or capital investment), or if a specific exclusion is sought over more than one-third of issued share capital.
G16	Takeovers	Vote against any proposal for shareholder support for a dispensation from Rule 9 of the Takeover Code.
G17	Dividends	If there is no separate resolution to approve the final dividend, vote against the report and accounts.
G18	Executive remuneration and the Remuneration Committee	Vote against the chair of the board and the re-election of non-independent members of the remuneration committee if the committee does not consist entirely of independent non-executive directors.
G19	Executive remuneration and the Remuneration Committee	Vote against the remuneration policy in the case of any of the following: • Failure to use service contracts in relation to executive directors, which should be no more than one rolling year in duration and in the case of termination be subject to mitigation; • Awarding of a 'sign-on' bonus without the inclusion of any conditionality • Service contracts with provisions that in effect reward failure; • Basic salary increase greater than inflation or that given to the rest of the workforce; • Uncapped bonuses • Too wide discretion given to the remuneration committee • No provision for withholding of benefits on cessation of employment • If the performance measures are only stock market related such as Total Shareholder Return.
G20	Executive remuneration and the Remuneration Committee	Vote against the remuneration report and/or the remuneration policy in the case of any of the following: • Lack of clarity • Lack of transparency • incentives which would have the effect of making directors focus on short-term returns at the expense of sustainable business success. Vote against the remuneration report in the case of any of the following: • Bonuses being awarded despite decline in the company's performance • Inappropriate use of discretion • Payment of a transaction bonus
G21	Directors earning more than 100 times their company's UK workforce average	Vote against the remuneration report or policy if the total remuneration package of any director is more than 100 times greater than the average pay of the company's UK workforce, other than in exceptional circumstances which must be fully justified.

	G22	Executive remuneration and the Remuneration Committee	Vote against the remuneration policy if the CEO's remuneration package does not include criteria for awards to be linked to relevant sustainability targets including those in relation to climate change.
	G23	Executive remuneration and the Remuneration Committee	Vote against the remuneration policy if the CEO's remuneration package does not include criteria for awards to be linked to relevant sustainability targets including those in relation to climate change.

Asian Investment Strategies | Environmental, Social and Governance ("ESG") Red Lines

For the Asian investment strategies, we apply a customised version of the ESG Red Line framework, including guidance to address key themes such as climate change, diversity and inclusion, and shareholder alignment. This guidance has been further refined to reflect regional variations in best practice standards, resulting in a more focused set of principles organised into the following categories:

- Material ESG Failures: (2 Red Lines)
- Environment: (3 Red Lines)
- Social: (2 Red Lines)
- Governance: (8 Red Lines)

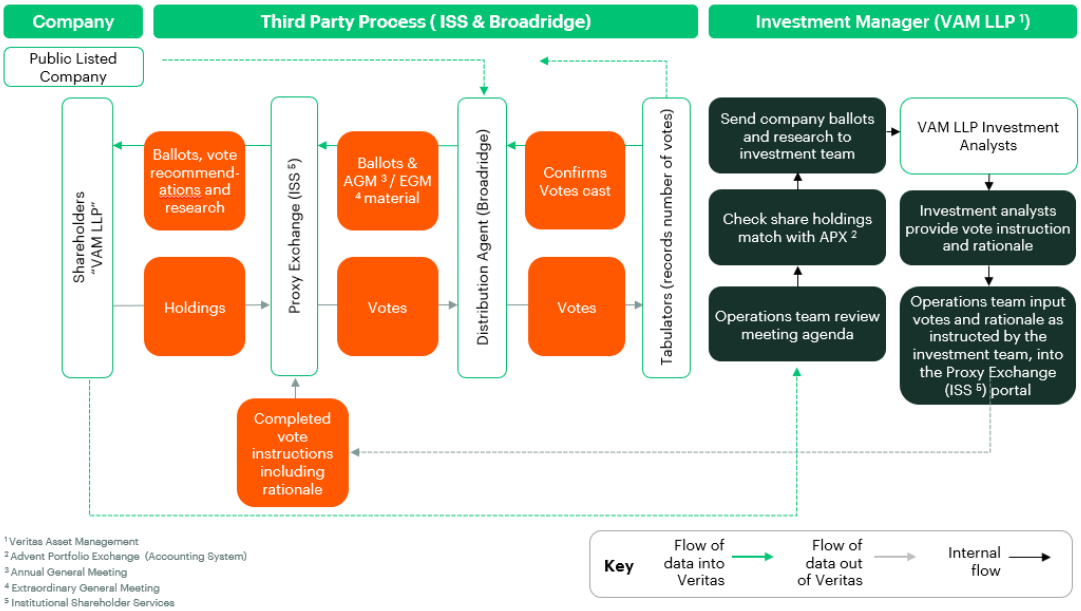
Shareholder proposals

Veritas votes on all shareholder proposals, which are reviewed on a case-by-case basis, using the same approach applied to all agenda items. Unless mandated, the firm will make its own decision on how to cast votes for shareholder proposals, voting contrary to the policy vote recommendation if the decision is warranted. Proposals that promote greater disclosure and shareholder clarity are generally encouraged, e.g., gender diversity statistics.

Voting Policy Execution

Veritas uses Institutional Shareholder Services ("ISS") to execute voting on behalf of clients. The investment analyst will receive all relevant proxies and determine whether they believe Veritas should vote in favour or against management. The investment analysts will consider the guidelines and any research when making their decision. If a vote goes against a Red Line or Veritas decides to vote against management for a non-Red Line resolution, an explanation will be provided in quarterly investment reports. On occasion, votes may be cast against management where the recommendation has been to vote in favour and again, an explanation will be provided.

After discussing with the Portfolio Manager and making a final decision, the analyst will instruct the custodian or prime broker via the Operations Team how to vote. This is done via ISS, and the role of the Operations Team is to ensure that proxies are voted in a timely manner.



Reporting

Reporting is becoming increasingly important. Clients wish to understand the rationale for portfolio positioning and any necessary voting on controversial issues. Within the detailed quarterly investment report sent to clients, there is a summary of the votes cast over the quarter and an explanation of any votes against management. The report also includes a separate voting section relating specifically to the ESG Red Lines. Proxy voting reporting is provided alongside any details of engagement with a company, which ensures clients remain well informed.

Voting activity for the Sub-Funds held under Veritas Funds Plc and Veritas Common Contractual Funds, are available publicly via the following weblink: https://vds.issgovernance.com/vds/#/NzgyMA==

Conflicts of Interest

Veritas does not encounter some of the conflicts faced by larger financial services companies as the only business activity is asset management. Notwithstanding this, the firm ensures a robust conflicts of interest policy is adhered to that clearly sets out the process to identify, consider, mitigate, manage, disclose, and record all conflicts, ensuring they are dealt with in a manner that is not prejudicial to any clients.

The firm acts in the best interests of clients when considering stewardship activities. Conflicts of interest may arise from time to time, such as voting on matters affecting an investee company whose pension scheme may be a client or where a client is a shareholder in two companies involved in both sides of a deal or dispute. To identify such conflicts, on a monthly basis, the ESG team at Veritas reconciles the firm's list of investee companies against its client list in the customer relationship management system. If no conflicts are identified, the Compliance team will be advised of a nil report. If a conflict is identified, the Compliance team will be notified, and the item will be logged in the conflicts of interest register, along with the date of the next Annual General Meeting or Extraordinary General Meeting for the investee company (if available). Notification of the conflict will also be provided to the Investment team, who will engage with the ESG team to ensure there is no risk of inappropriate influence in the voting process. If required, matters will be escalated to the Management Committee. Where a conflict of

interest is identified, votes will be cast in accordance with the standard voting procedures, ensuring all votes are directed in the best interests of clients.

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