

PROXY VOTING POLICY

SEPTEMBER 2019

1. INTRODUCTION

Sanlam Investments UK Limited (FRN 459237) and Sanlam Private Investments (UK) Ltd (FRN 122588) (together “Sanlam Investments”) manages portfolios of investments on a discretionary basis for investment funds and managed account clients (“clients”). Sanlam Investments is authorised and regulated in the United Kingdom by the Financial Conduct Authority to undertake regulated investment business.

Pursuant to the terms of an investment management agreement between Sanlam Investments and its clients, Sanlam Investments is often given authority and discretion to vote proxy relating to the underlying securities which are held on behalf of such clients.

Some accounts for which Sanlam Investments act as the Investment Manager may wish to retain responsibility for proxy voting. Such accounts must state it clearly within the Investment Management Agreement, or provide other written instruction, that Sanlam Investments will not vote their proxies.

This policy sets out Sanlam Investment’s commitment to its fiduciary obligation to vote proxies in the best interest of its clients and maximise the value of the underlying shares being voted on.

Proxy voting is an important right of shareholders and reasonable care and diligence must be taken to ensure that such rights are properly and timely exercised. When Sanlam Investments has discretion to vote the proxies of its clients, it will vote those proxies in their best interest and in accordance with these policies and procedures.

Sanlam Investments currently only votes proxies on our directly invested unitised funds.

2. VOTING GUIDELINES

In the absence of specific voting guidelines from the client, Sanlam Investments will vote proxies in the best interest of the clients’ and will seek to vote all shares held.

When determining whether to invest in a company, one of the factors Sanlam Investments considers is the quality of the company’s management.

We recognize that a company’s management is entrusted with the day-to-day operations and longer-term strategic planning of the company, subject to the oversight of the company’s Board of Directors. ‘Ordinary business matters’ are primarily the responsibility of management and should be given a fair amount of weight in determining how proxy issues should be voted.

However, Sanlam Investments will vote against or abstain in those cases where we believe the management position is not in the best interest of our clients, especially for matters that could have substantial economic implications to the shareholders.

Sanlam Investments examines the voting agendas of a company in the issues we consider to be most significant, these include;

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- 1) Election of Directors
- 2) Election of Auditors
- 3) Executive Compensation / Remuneration
- 4) Mergers and Corporate Restructurings
- 5) Capital Structure (Share Issuance Requests, Increases in Authorized Capital etc)
- 6) Environmental, Social, Governance (ESG) Issues

3. PROXY VOTING PROCEDURES

In order to facilitate the actual process of voting proxies, Sanlam Investments has contracted with an independent company via our custodian network. Proxy voting is outsourced to Broadridge Financial Solutions Ltd. (Broadridge), to assist in gathering information and voting. Broadridge is a leading provider of proxy voting and corporate governance services.

On a weekly basis, the Fund Operations Team sends a report to all Portfolio Managers detailing new proxies.

The default position is that Sanlam Investments votes with management, however the Portfolio Managers review each proxy on a case by case basis.

If the Portfolio Manager wishes to vote against management for any resolution, they will send a written instruction by e-mail to the Fund Operations Team along with any relevant documentation material to reaching the decision. The Fund Operations Team will update Broadridge to reflect the instruction.

If the Portfolio Manager wishes to vote in favour of management, no further action is required.

4. CONFLICTS OF INTEREST

In the event of a conflict arising between the interest of the Client and the interest of the Firm, such a perceived material conflict will be resolved as follows:

1. We may delegate the voting decision to an independent third party
2. We may delegate the voting decision to an independent committee of partners, members, directors or other representatives of the Client, as applicable
3. We may inform the Investors or Account of the conflict and obtain consent (majority consent in the case of a Fund) to vote the proxy as we recommend
4. We may obtain approval of the decision from the Compliance Officer

The Compliance department maintains a conflict of interest register.

5. RECORD KEEPING

A record of each proxy received, and each proxy executed is maintained within the Broadridge on-line system. The Fund Operations Team has access to all Proxy information.

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The Fund Operations Team will maintain any documentation provided by the Portfolio Managers material to making the decision on how to vote or the basis for the decision (in significant votes where we vote against management).

6. DISCLOSURE

The Shareholders Rights Directive II (SRD II) requires that we make an annual disclosure on how we have engaged with companies in which we hold shares. As set out in our Engagement policy this includes our voting activity, therefore we will disclose on our participation in proxy voting and explain our voting position on our most significant votes annually.

Records are kept all proxy votes executed, this is available on request.

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