

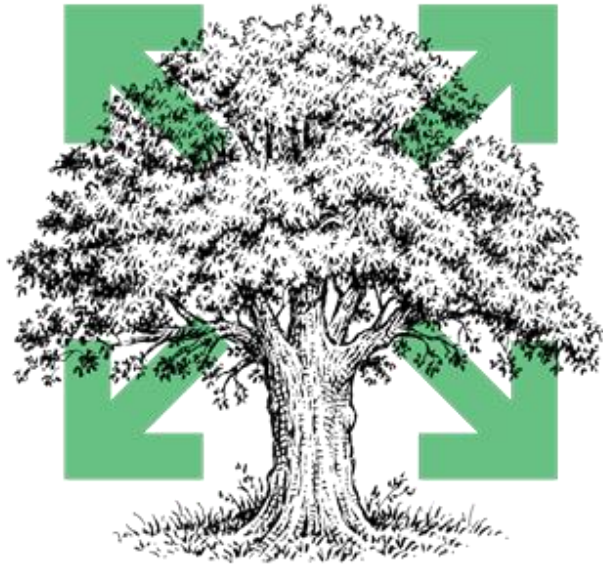
FOR PROFESSIONAL INVESTORS ONLY

Sanlam

Engagement policy



June 2019



Sanlam Engagement Policy for Sanlam Investments and Sanlam Private Wealth

At Sanlam, we recognise that promoting sound corporate governance in the companies that we invest forms an integral part of our fiduciary responsibilities to our clients.

This policy document describes how Sanlam conducts engagement with companies throughout the course of its investment activities. It is reviewed regularly by Sanlam UK's Executive Committee (ExCo) and updated to reflect any changes in our approach.

It should be noted that the exact approach to monitoring and engagement may vary from team to team owing to the diversity of investment strategies offered.

Monitoring companies

Initial investment is preceded by detailed due-diligence and the creation of a regularly updated investment thesis which reviews, amongst other factors, strategy, financial and non-financial performance and risk, and capital structure.

The monitoring process for social and environmental impact and corporate governance is supplemented by further detailed reports produced by our ESG partner, Sustainalytics¹. ESG risk analysis is fully embedded within our investment process across the business. Full details on our approach to managing ESG risks across our portfolios will be provided in our ESG policy document which is currently being finalised.

All investments are reviewed on a regular, periodic basis by the investment teams to ensure that the initial investment case remains intact.

The Performance and Risk committee provides an independent review of fund performance providing a challenge on individual companies where performance has not met expectations or is making a significant contribution to the risk profile of the fund.

Engagement

We generally initiate dialogue with investee companies in instances where we have identified issues that may have an impact on the sustainability of returns over the medium to long term. This covers a wide range of potential risks including those coming under the Environmental, Social and Governance headings. That said, we are pragmatic about our influence on companies where our active positions are small but, in line with our fiduciary responsibilities, we will aim to bring about engagement and positive change where possible.

Collective engagement

In general, we raise concerns with companies on an individual basis but may look to collaborate with other shareholders where appropriate. More broadly, we actively engage with other shareholders and policy makers through our membership of The Investment Association, and New City Initiative.

Voting

For Collective Investment Schemes (CIS) we use a proxy voting service to ensure we participate in all shareholder votes. Each investment team is notified of upcoming votes and can elect to alter the proxy to vote in accordance with the best interests of the holders of that CIS.

For discretionary mandate clients Sanlam does not generally offer proxy voting services.

Reporting

We can offer flexibility around the tailored content of client reporting which could extend to include voting decisions and action taken relating to corporate governance.

On an annual basis we will publish a summary of how our engagement policy has been implemented. This will include a summary of our voting activity.

Conflicts of interest

We have a group conflicts of interest policy that provides key information designed to help understand conflicts and the measures in place to safeguard a client's interest from any conflicts of interest which arises or may arise in the course of providing investment services.

¹ Sustainalytics is a global provider of ESG and corporate governance research and ratings

A number of dedicated obligatory policies and procedures exist that are relevant for conflicts of interest management purposes. These are more general but will also apply to managing conflicts relating specifically to engagement and shareholder voting.

An integral part of this process is our conflicts of interest register, which is reviewed and updated on a regular basis.