

Proxy Voting

VOTE DISCLOSURE

1ST JANUARY 2018 – 31ST DECEMBER 2018

Walter Scott exercises discretionary proxy voting authority - where authorised to do so - with a view to safeguarding its clients' best interests. This report details all votes cast in line with Walter Scott's Proxy Voting Policy which can be found at <https://www.walterscott.com/documents/10184/0/Proxy+Voting+Policy.pdf>.

Proxy voting by Walter Scott is undertaken on a 'best endeavours' basis as the votes instructed by Walter Scott may not be cast in certain circumstances including, without limitation, the following examples:

- 1) The proxy documentation is not delivered timeously to the manager by the relevant custodian or ISS (Institutional Shareholder Services).
- 2) The client has a stock lending programme in place. Any such arrangement rests with clients and their custodian. Walter Scott does not undertake stock lending. Walter Scott generally does not ask clients to recall stock on loan in order to vote.
- 3) Jurisdictional restrictions, split voting, excluded markets.
- 4) The instructions from the custodian to the voting entity are incomplete.

PROXY VOTING RELATED ENGAGEMENT

Ongoing and meaningful dialogue with company management plays an important role within Walter Scott's investment process and the investment team actively seeks to meet with senior management on a regular basis. This gives the investment team the opportunity to discuss events or air concerns as they arise; these may relate to past or future shareholder meetings or other ESG subjects. ESG considerations are an integral part of Walter Scott's investment philosophy and process.

In addition to the above, Walter Scott contacted 23 companies specifically about their proxies in 2018 and another 18 companies with regards to ESG specific topics, many of which feed into AGM or EGM agenda items.

We will generally seek to contact a company if we have a particular concern or would like further information on an AGM or EGM agenda item. We have contacted companies to discuss a number of topics including, but not limited to: compensation, board structure, individual board member's commitments and experience, proxy contests, capital allocation and shareholder proposals.

VOTE SUMMARY

		%
Total number of meetings	226	-
Total number of proposals	2,866	-
Total proposals voted "For"	2,616	91%
Total proposals voted "Abstain"	49	2%
Total proposals voted "Against"	199	7%
Total proposals voted "One Year"*	2	0%

*Advisory vote on say on pay frequency. This agenda item gave the options of one year, two years or every three years.

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Total votes not in line with management's recommendation	173	6%
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Rationale for votes not in line with management's recommendation	Number of votes
Due to potential dilution >10%	83
Vague/poorly defined proposal	18
Bundled resolutions	17
Non-disclosure of individual board member's remuneration	14
Political donations	13
Ad hoc item	10
Shareholder proposal	5
Persistently attended < 75% of board or committee meetings	4
Compensation and stock option plans - not reasonable or excessive dilution	3
Proposed dividend too low	2
Corporate governance issues - member of compensation committee	2
Failure to address shareholder concerns on company's capital policy	1
Poison pill	1
Total	173