

PROXY VOTING

VOTE DISCLOSURE

1ST JANUARY 2019 – 31ST DECEMBER 2019

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 [here](#) on our website.

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 25 companies specifically about their proxies in 2019. In total we have had over 200 engagements 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, audit fees, proxy contests, capital allocation and shareholder proposals.

VOTE SUMMARY

		%
Total number of meetings	233	-
Total number of proposals	2,852	-
Total proposals voted "For"	2,605	91%
Total proposals voted "Abstain"	45	2%
Total proposals voted "Against"	200	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.

WALTER SCOTT

Total votes not in line with management's recommendation	181	6%
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Rationale for votes not in line with management's recommendation	Number of votes
Due to potential dilution >10%	96
Bundled resolutions	14
Political donations	13
Ad hoc item	11
Vague/poorly defined proposal	10
Shareholder proposal	10
Non-disclosure of individual board member's remuneration	5
Compensation and stock option plans - not reasonable or excessive dilution	5
Corporate governance issues	5
Corporate governance issues - member of Compensation Committee	4
Proposed dividend too low	2
Excessive number of outside Board appointments	2
Excessive non-audit fees	1
Persistently attended <75% of Board or Committee meetings	1
Failure to address shareholder concerns on company's capital policy	1
Tender offer - not in the best interest of long-term shareholders	1
Total	181