

WALTER SCOTT

▶ BNY MELLON | INVESTMENT MANAGEMENT

Q4 2020 PROXY
VOTING ACTIVITY

SHAREHOLDER RIGHTS DIRECTIVE II

ANNUAL REPORT Q4 2019 – Q3 2020
ADDENDUM

ADDENDUM TO SHAREHOLDER RIGHTS DIRECTIVE II REPORT 2019-2020

As an addendum to our previously published report on proxy voting activity, meeting the requirements of the Shareholder Rights Directive II, outlined below are the votes we considered to be significant over the final quarter of 2020. Reflecting the timing of that original report, our fourth quarter activity was not included.

The information provided in this report relating to specific holdings should not be considered a recommendation to buy or sell any particular security. There is no assurance that any securities discussed herein will feature in any future strategy run by us. Any examples discussed are provided purely to help illustrate our investment style or, are given in the context of the theme being explored. The securities discussed do not represent an entire portfolio and in the aggregate may represent only a small percentage of a strategy's holdings.

SIGNIFICANT VOTES

Based on our approach, we deemed the following votes to be significant.

Q4 2020

Issuer Name	Meeting Date	Meeting Type	Proposal No.	Proposal Text	Proponent	Vote Instruction	Vote Against Mgmt	Voter Rationale
Abcam Plc	04/12/2020	Annual	11	Authorise Issue of Equity	Mgmt	Against	Yes	Due to potential dilution greater than 10%
			12	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	Against	Yes	Due to potential dilution greater than 10%
			13	Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment	Mgmt	Against	Yes	Due to potential dilution greater than 10%
Chr. Hansen Holding A/S	25/11/2020	Annual	9b	Instruct Board to Complete an Assessment of the Ability of the Company to Publish Country-by-Country Tax Reporting in line with GRI 207: Tax 2019	SH	For	No	Shareholder proposal - In agreement with management
Coloplast A/S	03/12/2020	Annual	6.3	Instruct Board to Complete an Assessment of the Ability of the Company to Publish Country-by-Country Tax Reporting in line with the GRI 207: Tax 2019	SH	For	No	Shareholder proposal - in agreement with management
Hargreaves Lansdown Plc	08/10/2020	Annual	17	Authorise Issue of Equity	Mgmt	Against	Yes	Due to potential dilution greater than 10%
			18	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	Against	Yes	Due to potential dilution greater than 10%
Medtronic plc	11/12/2020	Annual	4	Renew the Board's Authority to Issue Shares Under Irish Law	Mgmt	Against	Yes	Due to potential dilution greater than 10%
			5	Renew the Board's Authority to Opt-Out of Statutory Pre-Emptions Rights Under Irish Law	Mgmt	Against	Yes	Due to potential dilution greater than 10%

Issuer Name	Meeting Date	Meeting Type	Proposal No.	Proposal Text	Proponent	Vote Instruction	Vote Against Mgmt	Voter Rationale
NWS Holdings Limited	25/11/2020	Annual	5	Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights	Mgmt	Against	Yes	Due to potential dilution greater than 10%
			7	Authorise Reissuance of Repurchased Shares	Mgmt	Against	Yes	Due to potential dilution greater than 10%

MOST SIGNIFICANT VOTES

Using our discretion, we deemed the following to be our most significant votes in the review period.

Q4 2020								
Issuer Name	Meeting Date	Meeting Type	Proposal No.	Proposal Text	Proponent	Vote Instruction	Vote Against Mgmt	Voter Rationale
CNOOC Limited	20/11/2020	Special	1	Approve Supplemental Agreement and Amendments to the Existing Non-Compete Undertaking and Related Transactions	Mgmt	For	No	CNOOC wanted to make amendments to a non-compete agreement with their parent company which would allow the parent company to operate oil and gas assets. This was in response to the increasing risk of sanctions from the US. We had a call with CNOOC in which they reassured us that they were merely taking precautions and in the event that new sanctions materialise minority shareholders would get a vote on any meaningful transfer of assets. We supported this proposal as we were in agreement with management's rationale for the proposed changes and the conditions put in place around any transfer of assets.

Issuer Name	Meeting Date	Meeting Type	Proposal No.	Proposal Text	Proponent	Vote Instruction	Vote Against Mgmt	Voter Rationale
Recordati SpA	17/12/2020	Special	1	Approve the Reverse Merger by Absorption of Rossini Investimenti SpA and FimeI SpA into Recordati SpA	Mgmt	For	No	Reorganisation and Mergers - The absorption of Recordati's two main shareholders; Rossini Investimenti SpA and FimeI SpA into Recordati SpA allow the company to keep its listed company status while also streamlining the corporate control chain and simplifying the governance structure; reducing operating costs relating to the merging entities, and ensuring a more efficient dividend flow. Resulting tax benefits will offset the cost.
Unilever Plc	12/10/2020	Court	1	Approve the Cross-Border Merger between Unilever PLC and Unilever N.V.	Mgmt	For	No	Reorganisation and Mergers - There is a strong strategic rationale for unifying the company's structure, giving the company advantages in terms of future M&A and other business transactions in addition to further practical considerations. There is however uncertainty regarding this deal through a parliamentary Exit Tax proposal in the Netherlands with a potential tax bill of EUR11bn. This law was still under review at the time of voting with the possibility that the company withdraws its proposal.
Unilever Plc	12/10/2020	Special	1	Approve Matters Relating to the Unification of the Unilever Group under a Single Parent Company	Mgmt	For	No	Reorganisation and Mergers - There is a strong strategic rationale for unifying the company's structure, giving the company advantages in terms of future M&A and other business transactions in addition to further practical considerations. There is however uncertainty regarding this deal through a parliamentary Exit Tax proposal in the Netherlands with a potential tax bill of EUR11bn. This law was still under review at the time of voting with the possibility that the company withdraws its proposal.

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Walter Scott has been supporting emerging Scottish talent since 1988. In the same way that we believe that different perspectives within the team generate the best investment ideas, so we believe that our art collection should incorporate a wide range of work from an eclectic group of contemporary artists.

Our commitment to the art community is also reflected in our established partnerships with – and sponsorship of prizes at – the Royal Scottish Academy, the Royal Glasgow Institute of The Fine Arts and the Royal Scottish Society of Painters in Watercolour.

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