WALTER SCOTT

BNY MELLON | INVESTMENT MANAGEMENT

MIFIDPRU 8

DISCLOSURE

2022

CONTENTS

1 INTRODUCTION

BACKGROUND

Walter Scott & Partners Limited ("Walter Scott") is a long-only global equities investment manager based in Edinburgh. Walter Scott is a subsidiary of Bank of New York Mellon Investment Management European Holdings ("BNYM IMEH" or "BNY Mellon Investment Management"). The firm's investment strategy focusses on a single asset class, listed global equities. The business has consistently applied the same investment philosophy and process throughout its history since founded in 1983.

Walter Scott has clients in over 20 jurisdictions and, as at the end of September 2021, had £83.1bn in assets under management ("AUM"). The firm has a broad range of institutional clients including governments, pension plan sponsors, corporations, foundations and charities.

DISCLOSURE APPROACH

The Internal Capital Adequacy and Risk Assessment ("ICARA") process is the collective term for the internal systems and controls that a firm must operate to identify and manage potential material harms that may arise from the operation of its business, and to ensure its operations can be wound down in an orderly manner. The regulatory requirement to conduct an ICARA sits with the firm and the outcomes of the assessment are subject to Board Risk Committee ("BRC") approval on behalf of the Walter Scott Board of Directors ("the Board") and governance processes.

The Walter Scott ICARA process is part of the overarching BNYM IMEH ICARA process which runs across the BNYM IMEH Firms ("the Group"). Subsequent compilation of the Walter Scott ICARA document and this disclosure has been undertaken by the Walter Scott Risk, Business and Finance teams.

Whilst Walter Scott is an independent investment firm with its own legal entity structure, risk profile, governance arrangements and controlling management this centrally coordinated approach to the ICARA assessment process and its documentation was agreed by the Group, in accordance with MIFIDPRU 7.9.10 to create synergies and efficiencies and promote alignment of approach, interpretation, and the consistent documentation of results where appropriate.

1.1 PURPOSE OF MIFIDPRU DISCLOSURE

The Public Disclosure requirements of Investment Firm Prudential Regulation ("IFPR") are set out in MIFIDPRU 8 which replaces the previous Pillar 3 requirements of BIPRU 11. The objectives are broadly similar, namely, to inject market discipline on firms, including Walter Scott, by requiring them to disclose information to key stakeholders and counterparties.

MIFIDPRU 8 seeks to refine this approach though disclosures on Walter Scott's own funds (financial strength), behaviour (investment policy) and culture (risk management, governance, and remuneration).

This document refers specifically to Walter Scott and has been prepared and approved as a Non-SNI (Non-small and non-interconnected investment firm) UK firm.

This document sets out the framework of the firm's approach to the Disclosure requirements containing the key qualitative and quantitative information required as part of the Disclosure.

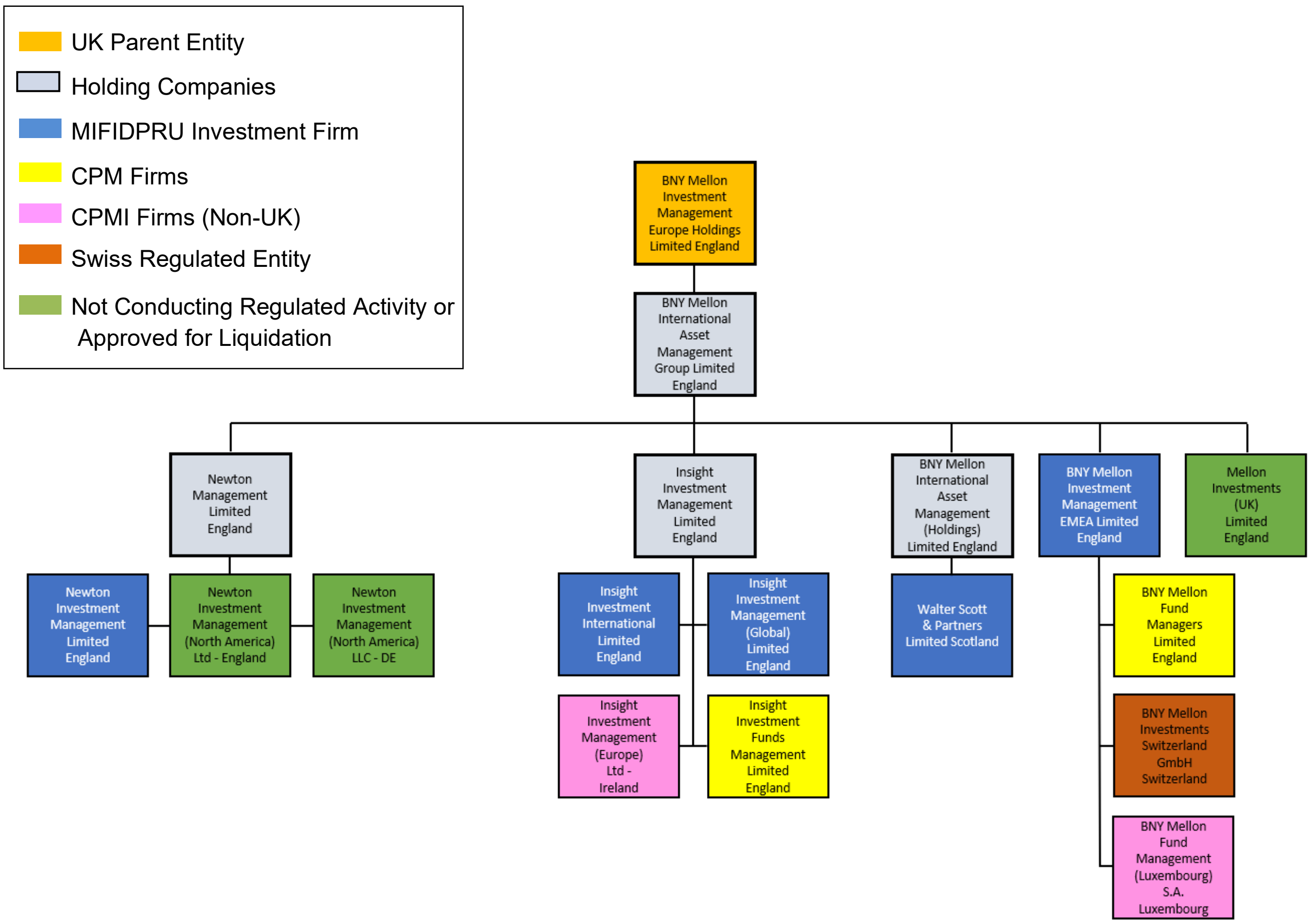
The qualitative disclosures under MIFIDPRU 8 are appropriate to the firm's size and internal organisation and to the nature, scope, and complexity of its activities. Due to the transitional nature of the 2021 / 2022 IFPR & ICARA process, the current disclosure is written on a 'best efforts' basis subject to proportionality and meeting the minimum requirements of relevant regulation.

2 SCOPE OF APPLICATION

2.1 ENTITY/FIRM DESCRIPTION

Walter Scott is a long-only global equities investment manager based in Edinburgh. It is a subsidiary of BNYM IMEH, which is the UK parent company of the BNY Mellon owned investment management businesses based in the UK, Ireland, Switzerland and Luxembourg and subject to the requirements of MIFIDPRU. Walter Scott is a separate legal entity authorised and regulated by the FCA.

The following simplified legal entity chart illustrates the ownership structure as at 15 September 2022.



3 RISK MANAGEMENT OBJECTIVES AND POLICIES

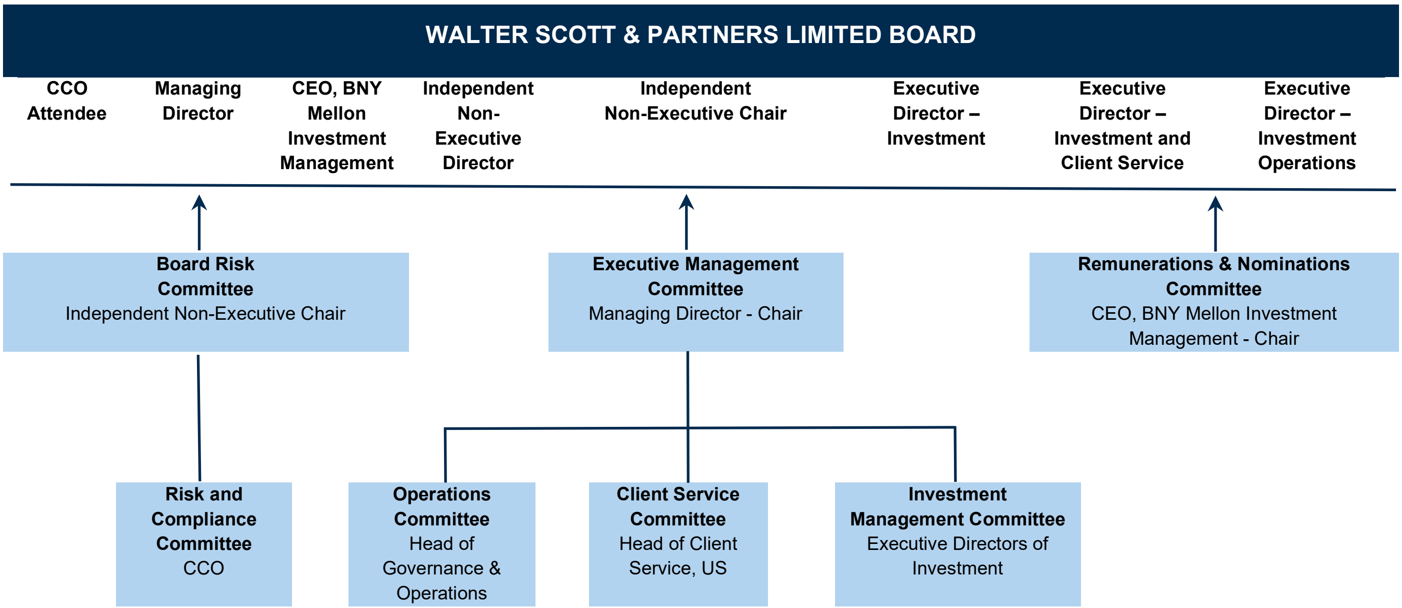
3.1 RISK MANAGEMENT FRAMEWORK

Walter Scott operates as a discrete entity. The Walter Scott Board and executive team members have a high degree of knowledge about the business and are very close to the day-to-day risk management. The Board has primary responsibility for both the management and the oversight of risks, together with the quality and effectiveness of risk management, compliance and regulatory frameworks in the firm. The Walter Scott Board meets at least on a quarterly basis and considers reports and issues escalated by the delegated groups and committees within the business. Walter Scott has appointed two Independent Non-Executive Directors to its board, one of whom is the Chair.

Risk culture and management within Walter Scott is centred on the Three Lines of Defence model, the business areas which own and manage the risk are the first line, Risk Management which oversees risk is the second and Internal Audit is the third line of defence. Walter Scott Risk Managers work in conjunction with a central BNY Mellon Risk function.

3.2 RISK MANAGEMENT STRUCTURE AND OPERATIONS

The Board has ultimate responsibility for corporate governance, including the management of risk. It discharges its responsibilities through regular board meetings and by delegating aspects of that responsibility through a formal committee structure (below). Risk matters are delegated to the firm's BRC. Policies and procedures have been established to ensure effective and appropriate governance of the business.



The committees that report to the Board generally meet on a monthly or quarterly basis, with the exception of the Remuneration and Nominations Committee which meets as required. The Board is chaired by an Independent Non-Executive Director, who also chairs the firm's BRC. The Board has two further non-Executive members, the BNY Mellon Investment Management CEO, and an Independent Non-Executive Director. The Managing Director of Walter Scott is a member of the firm's Board and a member of all committees.

Notwithstanding the autonomy of the Board, Walter Scott adopts a common overall risk framework in line with global BNYM policy standards. This helps to ensure thoroughness of risk management activities, consistency of approach, and commonality in escalation to the BNY Mellon Investment Risk Committee. The elements of the risk management framework are:

RISK APPETITE STATEMENT

A Risk Appetite Statement ("RAS") is reviewed and agreed by Walter Scott on an annual basis. Identified within this document are the levels of risk that the firm has determined it will accept, and how those levels will be monitored and reported. The firm has a low appetite for risk across all risk categories.

RISK AND CONTROL SELF-ASSESSMENT

As part of its Risk and Control Self-Assessment process, Walter Scott assesses the risks associated with its key business processes. Assessments consider the frequency and severity of operational losses, performance of key risk indicators, emerging risks, audit and regulatory findings.

KEY RISK INDICATORS

Key Risk Indicators ("KRIs") are used by Walter Scott to evaluate control effectiveness and residual risk within a business process on a monthly or quarterly basis. Material risks are monitored by appropriate KRIs which relate directly to key risks identified in the RAS.

OPERATIONAL RISK EVENTS

Operational risk events are recorded internally with any significant operational risk events recorded on the BNYM Risk Management Platform.

EMERGING AND EXTERNAL RISKS

Emerging and External Risks are identified and rated as 'High', 'Moderate', and 'Low' with direction anticipated. These risks are discussed at the BRC.

STRESS TESTING

Stress testing is performed by Walter Scott as part of its ICARA process. The process reflects stressed scenarios that identify an appropriate range of adverse circumstances of varying nature, severity and duration. Scenarios are derived from current, emerging, and plausible future risks and strategy, and are subsequently reviewed, discussed, and agreed by the firm's BRC. The conclusion of the stress testing process is a statement of the future risk(s) the business faces, control improvements to mitigate the impact should the risk arise and where appropriate, a recommendation for the capital held against each risk type.

Walter Scott receivables management is undertaken by Walter Scott Finance and Walter Scott Client Operations fee billing teams. Procedures and controls exist around the collection of receivables and escalation of outstanding items. Walter Scott has not experienced any bad debts in its history.

ADDITIONAL OWN FUNDS REQUIREMENT

Walter Scott currently conducts annual liquidity stress testing and through this has established a minimum cash requirement of £9.2m to fund its ongoing operations for 12 months during a liquidity crisis. This minimum sits alongside the Own Funds Threshold Requirement ("OFTR") (£55.4m as at 30 September 2021) held with third-party banks outside of BNY Mellon for diversification purposes. This diversification level ensures that Walter Scott will always have liquid net assets higher than the Liquid Asset Threshold Requirement. In conclusion, the ICARA Working Group ("IWG") therefore does not deem it necessary or appropriate to hold any additional own funds to address the potential harms posed by Liquidity risk.

CONCENTRATION RISK

Products – In terms of investment products, as at 30 September 2021 Walter Scott primarily offers Global and EAFE long-only equity mandates.

The remaining AUM is represented by regional equity mandates and variations in investment style. In broad terms, these can still be considered as one product, that being long-only equity, and the likelihood of this product falling out of favour is considered low by the Board as it forms part of a client's asset allocation.

Management has considered and accepted the single product risk associated with this long-only equity strategy.

Clients – Walter Scott has a diverse client base covering a number of client types and jurisdictions, with no material concentration risk for any single client.

Client development has ameliorated concentration by geography, type and size. Diversification from the US market to numerous markets worldwide ensures diversification of regulatory risk, reputation risk and fee income.

Walter Scott has adopted a policy by which no single client will exceed 10% of AUM at the time of funding, with the exception being BNY Mellon Investment Mellon Investment Advisor, formerly BNY Mellon Investments Management (Cayman) Limited, the manager of the commingled funds, which represents 10% of AUM.

It is not deemed necessary to hold additional own funds to address harms posed by concentration risk.

BUSINESS / STRATEGIC / REPUTATIONAL / REGULATORY RISKS

In order to challenge other aspects of risk assessment and additional own funds allocation, Walter Scott has developed a number of scenarios designed to align with both high-risk issues identified within the firm and external macro concerns. The scenarios are reconsidered and revised annually in accordance with the highest risk to create plausible scenarios which stress the firm's capital. Whilst risks inherent to the business such as poor investment performance are consistent in their inclusion, if not their exact content, external risk-based stress scenarios are added or removed with the firm's assessment of the prevailing risk.

Unlike the AMA scenarios used in the firm's ICARA Operational Risk modelling, the ICARA Stress Scenarios do not focus solely on operational aspects of the business but are designed to include aspects of strategic, group, regulatory, reputational and business risk.

The scenarios, underlying assumptions and mitigants focus on financial impact, client action and management action. They are not intended to provide an in-depth narrative of each scenario, nor are they necessarily likely. They are however, considered plausible and are purposely aggressive.

It is concluded that the firm does not require to hold additional own funds in respect of any of the risks captured in the stress scenarios.

RISKS NOT CONSIDERED RELEVANT

Walter Scott has considered a number of other risk categories including Legal risk, Pension obligation risk, Securitisation risk, Interest Rate risk, Insurance risk & Model risk. After reviewing, it was concluded that due to the Walter Scott business model, these risks were not material, and do not require the firm to hold additional own funds.

LIQUID ASSETS

Walter Scott Liquid Assets held at 30 Sep 21	
	£'000
Core liquid assets (MIFIDPRU 6.3)	349,641
Non-core liquid assets - post haircut (see MIFIDPRU 7.7)	0

LIQUID ASSET THRESHOLD REQUIREMENT

	Liquid Assets Threshold Requirement held at 30 Sep 21	**Input £**	**Capital Assessment £**
Ref	**Basic Liquid Asset Requirement**		
A	1/3 FOR	4,077,190	
B	1.6% Client Guarantees	-	
C	Basic Liquid Asset Requirement ***(A+B)***		4,077,190
Liquid Assets for Ongoing Operations			
D	Q1	0	
E	Q2	0	
F	Q3	0	
G	Q4	0	
H	Total Liquid Assets for Ongoing Operations ***(D+E+F+G)***		0
Liquid Assets to Commence Wind-down			
I	Liquid Assets Required to Commence Wind-down		5,122,011
Liquid Asset Threshold Requirement			
J	Liquid Asset Threshold Requirement ***(C+ Higher of H or I)***		9,199,201

4 GOVERNANCE ARRANGEMENTS

4.1 GOVERNANCE AND OVERSIGHT STRUCTURE

The Board has ultimate responsibility for corporate governance. Walter Scott discharges its responsibilities through regular board meetings and by delegating aspects of that responsibility through a formal committee structure (see P5). Policies and procedures have also been established to ensure effective and appropriate governance of the business.

STRATEGY

The Board provides strategic direction to its Executive Management Committee ("EMC") and approves and oversees delivery by the EMC of the Walter Scott Strategic Plan and supporting Business Plans. The Board owns the strategic relationship with BNY Mellon as its sole shareholder. The Board also reviews and monitors the day to day running of the business, which the Board delegates in full to the CEO and EMC, in relation to the firm's strategy, risk appetite, policies, budgets and performance objectives to align with and/or mitigate external market risks and opportunities. The Board oversees all climate risks and opportunities regarding client assets and Walter Scott's own business operations and approves any change to the strategic product offering.

RESOURCES

The Board ensures that the necessary financial and non-financial resources are in place to meet Walter Scott's strategic plan and business objectives, as well as to measure performance and take corrective action as necessary. This includes, inter alia, the appropriate levels of capital and liquidity. The Board oversees significant projects, programmes and corporate development activities and reviews the annual Walter Scott stress test. The Board ensures that the firm has an appropriately qualified and skilled team of executive and investment managers to oversee performance of the business and drive investment returns for clients.

GOVERNANCE

The Board monitors the effectiveness of its corporate governance and oversees the firm's culture and conduct in order to comply and align with BNY Mellon's stated values, professional standards and those legal, regulatory and moral obligations (including as reflected in Walter Scott and BNY Mellon's policies) to support its long-term sustainable success and high standards of business conduct. The Board sets and reviews the firm's risk appetite with reference to the strategy and would review any items escalated to the Board. The Board monitors any potential conflicts of interest. The Board receives and actions reports from its underlying committees and approves their terms of reference. The Board reviews and approves the annual Walter Scott financial statements.

4.2 DIVERSITY POLICY

Walter Scott is committed to a culture built on openness, respect, and opportunity for all. To deliver on this commitment, the firm recognises how important it is to have policies and procedures in place that support and champion diversity, equity and inclusion. It is understood that policies and procedures can only do so much; therefore, all staff have a part to play in making Walter Scott a positive, welcoming, and engaging place to work.

WHAT DIVERSITY, EQUITY & INCLUSION MEANS AT WALTER SCOTT

Walter Scott is committed to fostering a culture that values diversity at every level. The firm strives to create and maintain a positive environment where everyone feels welcomed, valued and respected, and that each individual who works at Walter Scott has an equal chance to fulfil their potential.

Walter Scott defines diversity, equity and inclusion as follows:

- Diversity - the range of human differences that inform our individual perspectives. Often these differences are obvious (for example race and gender) and are known as demographic diversity. Other forms of diversity are not obvious (for example sexual orientation, belief, neurological differences and cognitive styles).
- Equity - ensuring that processes and programmes are fair and impartial. People, policies and practices ensure that everyone has the same chance to achieve the same outcome.
- Inclusion - establishing and maintaining a workplace culture where all employees feel they belong, they are valued, respected and they are given the equal opportunity to contribute and progress.

Leadership is the keystone to inclusiveness. Leadership development assists and encourages leaders to embrace diversity in all its forms and build positive working environments. As with equity, inclusion is supported by people policies and practices.

Walter Scott does not set specific targets in respect of its Diversity, Equity and Inclusion policy; however, the firm is committed to:

- Promoting a culture and environment that encourages employees to feel they belong and are given the equal opportunity to contribute and progress.
- Providing mandatory annual and ongoing training to reaffirm personal accountability.
- Implementing and reviewing policies and practices to promote fairness and impartiality so all have the same chance to succeed.
- Seeking a diverse group of applicants through recruitment activities.
- Community outreach by partnering with organisations seeking to reduce inequality and promote opportunity.
- Assessing progress and reporting outcomes to the EMC on a bi-annual basis.

TAKING RESPONSIBILITY

Overall responsibility for diversity and inclusion at Walter Scott sits with the firm's Executive Management Committee, which subjects all aspects of diversity and inclusion to a half-yearly review. The Committee is tasked with:

- The ongoing review and continuous improvement of our approach to diversity, equity and inclusion.
- Promoting an open, respectful, and equal working culture for all our people.

The Walter Scott Diversity, Equity and Inclusion Working Group reports to the Executive Committee biannually and makes recommendations to improve all areas of diversity, equity and inclusion.

Managers are responsible for ensuring a respectful work environment and taking prompt action to prevent discrimination or harassment from occurring.

Ultimately, everyone at Walter Scott has a role to play in ensuring that individuals feel respected and included. The importance of personal accountability is reaffirmed through annual diversity and inclusion training.

5 OWN FUNDS REQUIREMENT

	Walter Scott Own Funds Requirement held at 30 Sep 21	Input £	Capital Assessment £
Ref	**Own Funds Requirement**		
A	PMR	75,000	
B	FOR	12,232,000	
C	K-AUM	15,126,000	
D	K-COH	12,563	
E	KFR (C+D)	15,138,563	
F	Own Funds Requirement ***Higher of (A,B or E)***		15,138,563
Own Funds for Ongoing Activities			
G	Harms from Ongoing Activity Assessment	41,335,939	
H	Additional Own Funds from Ongoing Activity ***Higher of (G-C or 0)***	26,197,376	
K	Harms 'other'	14,047,908	
L	Additional Own Funds for Ongoing Activities ***(H+K)***		40,245,284
M	Own Funds to Address Risks from Ongoing Activities ***(E+L)***		55,383,847
Own Funds to Wind-down			
N	Cost Of OWD (Gross)	24,009,724	
O	Cost of OWD (Net)	5,122,011	
P	Additional Own Funds to Wind-down ***Higher of (O-B or 0)***	-	
Q	Own Funds Necessary for Orderly Wind-down ***(P+B)***		12,232,000
Own Funds Threshold Requirement			
R	Own Funds Threshold Requirement ***Higher of (M, Q or A)***		55,383,847
S	Early Warning Indicator **(110% of R)**		60,922,231
T	Wind-down Trigger **(B)**		12,232,000

5.1 ADEQUACY OF OWN FUNDS ASSESSMENT

The firm's Own Funds Assessment was derived after completion of the 2021 ICARA process which considered all relevant material harms. As part of this process, the Own Funds Assessment was subject to challenge by firm specific, severe but plausible hypothetical scenarios designed to stress the firm's capital. Based on these activities it is believed the firm's Own Funds Assessment figure is adequate.

6 REMUNERATION

Walter Scott is required to disclose information on its remuneration policy and practices for those categories of staff whose professional activities have a material impact on its risk profile. Walter Scott operates a consistent approach to remuneration globally.

REMUNERATION POLICY AND PROCESS

Walter Scott's Remuneration Policy is designed to align with the long-term interests of the firm's clients. It is consistent with the Walter Scott strategy, culture and purpose, ensuring sound and effective risk management alongside the fair and equal treatment of all staff.

LINKING STRATEGY TO OUR REWARD PHILOSOPHY

Walter Scott aligns its compensation philosophy with BNY Mellon and offers a total compensation opportunity that supports its values; passion for excellence, integrity, strength in diversity and courage to lead, which pays for performance, both at the individual and entity level. The business values individual and team contributions and rewards based on how both contribute to business results. In support of this philosophy, variable compensation is regularly used as a means of recognising performance.

We are committed to our clients' interests. Through the compensation philosophy and principles, the interests of our employees and shareholders are aligned by encouraging actions that contribute to superior financial performance and long-term shareholder value, by rewarding success and by ensuring that incentive compensation arrangements do not encourage employees to take unnecessary or excessive risks that threaten the value of the Walter Scott business or benefit individual employees at the expense of clients, shareholders or other stakeholders. The compensation structures are comprised of an appropriate mix of fixed and variable compensation that is paid over time. They aim to ensure that both fixed and variable compensation are consistent with business and market practice, fixed compensation is sufficient to provide for a fully flexible variable compensation program, and variable compensation is in the form of annual and/or long-term incentives, and where appropriate granted through equity to align employee remuneration with that of shareholder growth.

6.1 REMUNERATION POLICY AND OUR APPROACH TO GOVERNANCE AND PROCESS

The oversight of Walter Scott's remuneration strategy and policy is governed by the firm's Remuneration and Nominations Committee ("RNC"), which has delegated responsibility for remuneration matters from the Board of Walter Scott which, in consultation with the BNY Mellon Investment Management Compensation Oversight Committee, is responsible for remuneration policy decisions and the approval of year-end compensation awards for its respective regulated staff members. This process includes formal input from the Risk and Compliance functions when determining the amount of any variable incentive awards.

In addition to the RNC, the Investment Management Compensation Oversight Committee of BNY Mellon ("IM COC") is responsible for ensuring compensation plans are based on sound risk management and it provides governance and risk oversight of compensation issues. The members of the IM COC are senior members of BNY Mellon Investment Management, including the Chief Executive Officer of BNY Mellon Investment Management; Global Head of Human Resources for Investment Management, Employee Relations, and HR Governance & Internal Controls; Head of Governance, BNY Mellon Investment Management; the Chief Financial Officer, BNY Mellon Investment Management; and the Global Head of Compensation, BNY Mellon Investment Management. All new material incentive plans, material changes to existing incentive/sales plans and funding accrual decisions are subject to review and approval by the IM COC.

SALARY

Walter Scott's salary structure has several bands, differentiated by seniority, management and employee responsibility, but deliberately not by function. This eliminates potential discrimination between divisions of labour and supports our team approach. Salary reviews are typically conducted annually, with any increases made in accordance with our general business guidelines.

FIXED REMUNERATION

Fixed remuneration is composed of (i) salary, and (ii) any additional non-performance related amounts paid as a result of contractual obligations or applicable law, or as a result of market practice.

The fixed remuneration of an employee is determined by the job performed, its level of complexity and responsibility, and the remuneration paid in the market for that type of job. It is set for all staff, at a rate to be at all times sufficient to provide for full flexibility with regard to any variable remuneration element, including zero variable remuneration.

Employees who have accepted to be a director of another of BNY Mellon's legal entities are not remunerated in their capacity as a director. Independent directors of BNY Mellon only receive fixed remuneration, as disclosed in the annual Proxy Statement to shareholders.

VARIABLE COMPENSATION FUNDING AND RISK ADJUSTMENT

Walter Scott staff are eligible to be awarded variable compensation but have no entitlement to such awards which are discretionary in nature.

In general, the total compensation pool for the Walter Scott business, including any variable incentive pool, is based on the profitability of the business with the potential for adjustment by BNY Mellon and the IM COC on the basis of a number of factors including corporate performance and risk management.

Variable compensation may consist of both upfront cash and deferred components. It is determined by the functional hierarchy of the business or function to which the individual staff member belongs, and in accordance with the terms and conditions of the incentive compensation plan that is applicable for the business or business partner service.

The deferred component is intended to align a portion of the variable compensation award with the management of longer-term business risk. It is generally awarded in the form of either BNY Mellon restricted stock units, deferred cash invested in an appropriate vehicle, or any combination determined appropriate from time to time.

To ensure effective risk adjustment, Walter Scott requires employees who receive variable remuneration awards (both upfront and deferred) to agree to forfeiture and clawback of such awards in the event of fraud, misconduct or actions contributing to the detriment of business interests, including competing with the business and soliciting employees or clients. Where required by regulations, awards to Material Risk Takers are subject to more stringent risk adjustment, including, but not limited to, forfeiture and clawback in the event of employee misbehaviour, material error, material downturn in business unit performance or a material failure of risk management.

6.2 DEFERRAL POLICY AND VESTING CRITERIA

For more senior-level employees, a portion of variable compensation will be deferred, under ordinary circumstances for a period of at least three years (albeit such compensation may be deferred on a pro-rata basis for alternative periods), and will be subject to the performance of either (or both) Walter Scott or BNY Mellon. The deferred component of the variable compensation award is usually delivered as a deferred cash award invested in an appropriate vehicle. The proportion of the variable compensation award to be deferred depends on the level of the position, regulatory requirements and the amount of the award.

6.3 VARIABLE REMUNERATION OF CONTROL FUNCTION STAFF

The variable compensation awarded to control function staff (for example; audit, compliance and risk) is dependent on performance that is assessed according to the achievement of objectives specific to their functional role that are independent of the activities they oversee. Remuneration is benchmarked against the market level and funded independently of individual business line and adjusted based on BNY Mellon's overall annual financial performance.

6.4 QUANTITATIVE REMUNERATION DISCLOSURE

Walter Scott is required to disclose quantitative remuneration information for its Code Staff population in a manner that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities. The tables below include aggregate remuneration awarded for the 2021 performance year for Walter Scott's Code Staff population as at 31 December 2021.

The tables below provide details of the aggregate remuneration the group of staff identified as Code Staff for Walter Scott for the year ended 31 December 2021 and amounts are presented on a gross basis.

REMUNERATION EXPENDITURE FOR CODE STAFF IN 2021 BY BUSINESS

This table shows the total aggregate remuneration expenditure for Code Staff by business for 2021.

	Walter Scott and Partners Limited		
	Investment Management	Other	Total
Total remuneration (£000s)[1,2]	40,196		40,196

Note:

1. Includes base salary and other cash allowances, plus any incentive awarded for full year 2021. Pension contribution is not included.
2. Includes all support functions and general management positions

REMUNERATION EXPENDITURE FOR CODE STAFF BY REMUNERATION TYPE

This table shows the aggregate remuneration expenditure for Code Staff by remuneration type.

	Walter Scott & Partners Limited GBP '000s		
	Senior Management[1]	Other Code Staff	Total
Number of beneficiaries	8	8	16
Aggregate fixed remuneration (£000s)	30,153	10,043	40,196

Note:

1. Senior management is comprised of those categorised as 'Senior Managers' who carry out a senior management function as determined by the relevant regulators.

7 INVESTMENT POLICY

IP1 – TEMPLATE ON PROPORTION OF VOTING RIGHTS

Company name	**LEI**	**Proportion voting rights attached to shares held directly or indirectly in accordance with MIFIDPRU 8.7.4R**
N/A	N/A	N/A

IP2 – VOTING BEHAVIOUR

IP2.01 – TABLE ON THE DESCRIPTION OF VOTING BEHAVIOUR		
Row	**Item**	**Value**
1	Number of relevant companies in the scope of disclosure	0
2	Number of general meetings in the scope of disclosure during the past year	N/A
3	Number of general meetings in the scope of disclosure in which the firm has voted during the past year	N/A
4	Does the investment firm inform the company of negative votes prior to the general meeting? (Yes/No/Other – please explain)	Yes – As per Walter Scott's Proxy Voting Policy, in the event of a vote against management, we notify the company in question, outlining our rationale for the decision.
5	On a consolidation basis, does the investment firm group possess a policy regarding conflicts of interest between relevant entities of the group? (Yes/No)	Yes
6	If yes, summary of this policy	Potential conflicts of interest are dealt with in Walter Scott's Proxy Voting Policy https://www.walterscott.com/wp-content/uploads/2022/10/Proxy-Voting-Policy-August-2022.pdf

IP2.02 – TEMPLATE ON VOTING BEHAVIOUR			
Row	**Item**	**Number**	**Percentage (of all resolutions)**
1	General meeting resolutions:	N/A	N/A
2	The firm has approved management's recommendation	N/A	N/A
3	The firm has opposed management's recommendations	N/A	N/A
4	In which the firm has abstained	N/A	N/A
5	General meetings in which the firm has opposed at least one resolution	N/A	N/A

IP2.03 – TEMPLATE ON VOTING BEHAVIOUR IN RESOLUTION BY THEME (number unless specified)					
Row	**Item**	**Voted For**	**Voted Against**	**Abstained**	**Total**
1	Voted resolutions by theme during the past year	N/A	N/A	N/A	N/A
2	Board structure	N/A	N/A	N/A	N/A
3	Executive remuneration	N/A	N/A	N/A	N/A
4	Auditors	N/A	N/A	N/A	N/A
5	Environmental, social, governance not covered by rows 2-4	N/A	N/A	N/A	N/A
6	Capital transactions	N/A	N/A	N/A	N/A
7	External resolutions (e.g., shareholder proposals)	N/A	N/A	N/A	N/A
8	Other	N/A	N/A	N/A	N/A
9	Percentage of all resolutions put forward by the administrative or management body that are approved by the firm	N/A	N/A	N/A	N/A

IP3 – TABLE ON THE USE OF PROXY ADVISOR FIRMS

IP3 – TABLE ON THE USE OF PROXY ADVISOR FIRMS
Explanation on the use of proxy advisor firms
Walter Scott receives third party research from Institutional Shareholder Services (ISS) for information purposes. However, the recommendations from any intermediary have no bearing on how Walter Scott votes.

IP4 – TABLE ON VOTING GUIDELINES

IP4 – TABLE ON VOTING GUIDELINES
Voting guidelines regarding the companies the shares of which are held in accordance with MIFIDPRU 8.7.4R: short summary and, if available, links to non-confidential documents
Where authorized to do so, Walter Scott votes at shareholder meetings in a manner consistent with our clients' best interests. While Walter Scott considers all votes on a case-by-case basis, we have guidelines in place for specific issues, which are all detailed in Walter Scott's Proxy Voting Policy - https://www.walterscott.com/wp-content/uploads/2022/10/Proxy-Voting-Policy-August-2022.pdf