

— OUT OF THE ORDINARY

Voting and Active Engagement Policy



01. Our fundamental belief

As long-term investors, we acknowledge that, as custodians of the wealth of our clients we have the responsibility to invest and continue to invest in a way that promotes and aligns to long-term sustainability.

Sustainability is core to our investment approach. Our equity selection process is based on identifying companies that sustainably generate returns above their cost of capital and are trading at fair to cheap prices. Companies that do not incorporate sustainability, or appropriately consider all relevant stakeholders, are unlikely to sustainably generate returns above their cost of capital.

We are an active investment manager. We believe that with ownership comes responsibility, both to our investors and stakeholders. This responsibility requires us to constantly monitor our investments, exercise our right to vote, engage with company management and, when necessary raise resolutions or call meetings.

Our firm's essential purpose is to preserve and grow the wealth of our clients through various investment mandates and portfolios. To fulfil this purpose, we assume a stewardship role over our client's assets.

02. Stewardship and voting process

The cornerstone of our stewardship policy is our voting process. Our discretionary investment mandates authorise us to exercise voting rights in respect of our segregated and unitised portfolio holdings. This authority enables us to actively execute our stewardship responsibilities.

We will exercise our fiduciary voting responsibilities on all material issues, which can encompass anything from remuneration to board composition. Our analysts may also make recommendations based on environmental, climate and social considerations.

We will vote on all holdings held within our discretionary investment mandates and unit trust portfolios, irrespective of size or value of such holding. However, we do not vote on holdings within our bespoke segregated managed accounts unless authorised by the client to do so.

We use the independent services of Institutional Shareholder Services (ISS), a leading provider of corporate governance solutions, to provide us with research and recommendations. This research is thoroughly vetted by our research analysts with final voting recommendations reviewed by our voting committee.

Whilst we use the services of ISS as a proxy voting adviser, their recommendations do not dictate our voting but rather augment and strengthen our internal process. We still make the ultimate decision with regards to voting and execute the actual vote on behalf of our clients.

Where clients have their own requirements, which require them to be formally excluded, we will not vote on their underlying holdings. However, clients are formally required to opt out which will be recorded within the investment system to ensuring their holdings are excluded from the wider voting process.



VOTING AND ACTIVE ENGAGEMENT POLICY

03. Engagement with Management

In addition to our screening and ESG integration process, we have the opportunity as investment managers to actively engage and interact with companies' management teams (both the executive and non-executive) on all matters, including ESG matters.

We have integrated management engagement into our overall investment process. We regularly engage directly with company management and executives on matters ranging from remuneration to company strategy in addition to traditional investment matters. These engagements take place both directly through one-on-one meetings with company management (which affords us an opportunity to raise our own points) or through contact at presentations and conferences. We further utilize these engagements to actively promote our stewardship and ESG integration by discussing ESG and sustainability matters with company management.

Where we have concern with respect to a company we have invested in, we will engage with the management team through direct dialogue, collaboratively through platforms like the PRI, CDP, Climate Action 100+, or through exercising voting rights at general meetings. Going further, we can put forward shareholder resolutions and discuss matters with the company as required. If we feel a company is not being managed in the interests of our clients, we will decide how best to engage with the company to address this.

We participate in collaborative engagements to increase pressure on management where appropriate and where it is in the interests of our clients, provided this complies with insider dealing or concert party rules.

From time to time, where our holdings are insufficient to apply appropriate pressure to the company, we may consider disinvestment.

04. Reporting

We maintain a central record of voting activity which will be made available and reported annually on our website.

We are likely to report on instances where we have voted against management or participated with other shareholders on a specific shareholder resolution rather than where we have voted in favour of a management resolution.

Further our ESG related policies are also available to clients via our website and on request.

You can find out more about our responsible investment framework and related policies on our website -

https://www.investec.com/en_za/investment/responsible-investing.html