

GBIM

— GORE BROWNE —
INVESTMENT MANAGEMENT

Engagement and Voting

Engagement

The Shareholder Rights Directive II (SRD II) aims to promote effective stewardship and long-term investment decision making by enhancing the transparency of the investment strategies employed by Asset Management firms.

GBIM is a specialist investment firm that provides bespoke discretionary portfolio management services to retail investors and is considered an SRD asset manager.

This document sets out GBIM Limited's engagement policy in line with the requirements under SRD II.

1 Integration of Shareholder Engagement within GBIM's Investment Strategy

The majority of the investments (at least 90%) selected by GBIM for inclusion within individual client portfolios are collective investment schemes (UCITS, OEICs and Investment Trusts) which are managed by fund managers who are independent from GBIM.

Key components of our manager selection process include focusing on the quality of the holdings selected by the manager as well as their own expertise and investment process. This also includes their own governance arrangements and the level of engagement they have with the companies they invest in.

When we have direct equity holdings, we engage directly with either company boards or their representatives outside the traditional AGM cycle on matters with which we feel it is appropriate. This could range from remuneration to strategic change.

2 Monitoring Investee Companies on relevant matters, including:

- i) **Strategy;**
- ii) **Financial and non-financial performance and risk;**
- iii) **Capital structure; and**
- iv) **Social and environmental impact and corporate governance.**

GBIM has a Research function overseen by the Chief Investment Officer that monitors all the investments that GBIM actively covers. News flow is followed closely and, when deemed appropriate, conclusions are communicated to Investment Managers. When we make purchases on behalf of our clients, our aim is to make investments that can be held for the long-term and as such we pay regard to fundamental factors including how the company is managed, its market position, balance sheet leverage, capital allocation policy and its returns on capital. We may make use of third-party services to support or challenge our view from a social and environmental perspective.

3 Conducting and Maintaining Dialogues with Investee Companies

Engagement with investee companies will most likely be through direct dialogue with the management team or through exercising voting rights at General Meetings. If we think 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.

GBIM regularly engages directly with management to discuss any issues as they arise. This may occur through private meetings with either management or Investor Relations departments, or through contact with them at presentations and conferences. Each provide individual Investment Managers opportunities to raise their own points.

Where we decide to escalate matters, we can exercise any voting rights over which we have discretion. Going further, we can put forward shareholder resolutions and discuss matters with the company's advisers, its non-executive directors, or the Chairman. We are prepared to combine forces with other shareholders to increase pressure on management where we feel such action is in the interests of our shareholders.

From time to time, where our holdings are insufficient to apply appropriate pressure to the company or we feel our concerns have not been adequately addressed; it is likely we will consider disinvestment.

Salisbury Office

Chequers Court, 37 Brown Street, Salisbury,
Wiltshire, SP1 2AS - 01722 424444

Harrogate Office

Belvedere House, 2 Victoria Avenue, Harrogate,
North Yorkshire, HG1 1EL - 01423 508040

www.gbim.co.uk

4 Exercising Voting Rights and other Rights Attached to Shares

We may from time to time employ a third-party proxy advisory company to provide detailed governance analysis on our key holdings. We use our own analysis of ballot papers to shape, but not dictate, our engagement activity around AGMs. We will not routinely vote in every meeting, particularly if there is nothing contentious or our holding size renders our vote to all practical extents insignificant, but we will vote where we deem either the issue in question or our holding significant.

5 Cooperating with other Shareholders

GBIM is in most cases a small shareholder in investee companies which to all practical extents renders our vote insignificant, but GBIM is willing to act with like-minded shareholders where appropriate and where it is in the interests of our clients, so long as in doing so we can comply with all appropriate regulatory rules.

6 Communicating with relevant Stakeholders of the Investee Companies

At present GBIM aims to report to interested clients where we have voted against management or voted to encourage management to adopt a resolution that could lead to a change in how they operate. We will provide a summary report of all our voting activity for discretionary accounts. In addition, where it does not breach any confidentiality, we may share examples of where we have engaged with management. A central record of voting activity is maintained.

7 Managing Actual and Potential Conflicts of Interests in relation to the Firm's Engagement

GBIM has a company policy on Conflicts of Interest. All employees are required to declare any conflicts of interest, including those which may arise because of engagement, and we have in place arrangements to prevent or manage any conflicts identified. A summary of our conflicts policy is available to all our clients in our Terms and Conditions and can also be obtained upon request from the Compliance Director.

Our Voting Policy

Equities

We will vote for discretionary holdings of centrally researched stocks when:

- We hold more than £5m worth – we will vote on all ballot items, if necessary registering a vote against management where we identify any contentious items.
- We hold less than £5m worth but more than 3% of the shares – we will vote on all ballot items, if necessary registering a vote against management where we identify any contentious items.
- Positions of less than £5m when our own research identifies a recommendation against management – we will vote on the contentious issue as appropriate.

Investment Trusts

We will vote for discretionary holdings of the following:

- All investment trusts unless we have less than 3% of the share capital **AND** have less than £5m invested.
- Any investment trust which is not centrally researched where we believe that voting on any or all resolutions would be in the best interests of our clients.

Notes:

The firm's discretionary holdings are re-assessed regularly, but once a year as a minimum. In addition, investment trusts which are not centrally researched are monitored as part of an ongoing process and will be included if appropriate. We would not normally buy a stock simply to exercise a right to vote.

We execute all votes ourselves through Broadridge and may from time obtain advice from Proxy voting advisors. We will typically vote in line with best practice. Where clients know of a voting decision, they can override house policy but in general GBIM assumes full discretion for all its decisions. Votes will only be withheld if GBIM is aware of a potential client conflict with the intended vote or if the client explicitly directs us to an alternative vote.

Our voting decisions will be analysed and reported periodically. GBIM does not engage in stock lending.

Effective Date: 03/09/2020

Reviewed: 22/09/2023

Next Review 23/09/2024