



Proxy Voting Policy and Guidelines

Preamble

We believe judgement is a better guide to voting than a rules-based approach. Our voting policy is based on a parsimonious set of principles and key considerations that in our judgement are likely to be applicable to all companies in the vast majority of circumstances. However, we consider each voting exercise a bespoke process that should take into account the specific context, circumstances, dynamics and development of each company.

We believe an overly-specific and overly-prescriptive approach to proxy voting has drawbacks. First, it limits our ability to base our decisions on principles we cherish and to apply these principles to the circumstances of each company. Second, it overlooks that voting is often binary and blunt; it may only be possible to cast a single vote on matters that are often multi-faceted. Over-specifying requirements on each aspect of a remuneration policy is unnecessarily elaborate when we ultimately have to decide what our position is on balance.

Principles

Overarching principle: We vote every item on a case-by-case basis and with no pre-defined policy on how to vote certain events or issues.

We aim to: Use the voice that voting gives us ambitiously and positively, and to vote against proposals which in our judgement are likely to undermine positive outcomes.

Our investment philosophy is suggestive of certain points of principle that voting decisions should aim to embody and reinforce. We therefore support proposals that in our judgement are likely to:

1. Encourage long-term decision-making
2. Promote exceptional company cultures, strong franchises and resilient financials
3. Encourage companies to contribute to a more sustainable future.

To bring about a more sustainable future, we support proposals that in our judgement are likely to:

1. Promote sustainable development and responsible business practices
2. Improve board and staff diversity
3. Improve the quality of disclosure and reporting.

Considerations

Remuneration

Our voting decisions on remuneration awards and policies are based on careful consideration of the following questions:

1. Is the remuneration policy reasonable and simple?
2. Is remuneration linked to long-term performance and is it helping promote long-term stewardship?
3. Is the policy likely to result in excessive pay awards?

Boards

Our voting decisions on boards are based on careful consideration of the following questions:

1. Does the board discharge its duties in the long-term interests of the company?
2. Does the board strive for diversity of experience, skills, thought and opinion?
3. Does the board have a functioning process to refresh and renew itself?

Auditors

We recognise all auditing firms are imperfect, and that replacing one with another will not in and of itself result in a higher standard of auditing. We also recognise that long-term relationships may enable auditing firms to gain a good understanding of how companies operate and how

they have evolved. However, we believe the risks of over-familiarity and complacency are significant enough that we vote against the appointment of auditors whose tenure exceeds 10 years of continuous service.

Procedures and process

1. For every contentious proposal that comes up for a vote, we aim to engage with the company and seek to better understand the rationale and possible long-term implications of the proposal.
2. If we decide to vote against a board recommendation, we explain in simple terms the rationale for our decision. This explanation is published on our website.
3. If we decide to vote against a board recommendation, we explain our decision to the company verbally or in writing or both, and we decide any relevant engagement actions we may want to pursue with the company.
4. We review our policy guidelines once a year, to stay fresh and to incorporate recent experience.

View our [company policies](#) for the Stewart Investors Stewardship and Corporate Engagement Disclosure Statement.

Investment terms

View our list of [investment terms](#) to help you understand the terminology within this document

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