

Liontrust Voting Policy – Rest of the World¹

We actively vote across the global markets as an extension of our engagement and to signal support or concerns about a company's practices and proposals. This policy excludes the US, Canada, UK, European markets.

We recognise that companies are not homogeneous and some variation in governance structures and practice is to be expected. Reflecting the need for some practical flexibility, corporate governance models are increasingly operating on a “comply or explain” basis, which is an approach we are supportive of.

In making our final voting decisions we seek to have regard to any company specific context and clarifications, as well as local market standards. Within practical limits we aim, where possible, to raise issues of concern and engage with companies ahead of the General Meeting. Our core holdings are prioritised in this regard.

Apply Liontrust custom policy recommendations to companies with a market cap greater than US\$3bn (or currency equivalent). For companies with a market cap of US\$3bn (or currency equivalent) – a buffer of US\$500m (or currency equivalent)* will be applied to allow management of growing companies to adapt our policy recommendations, thus companies under US\$3.5bn (or currency equivalent) shall adapt the main ISS policy guidelines.

*For a company that falls within the buffer of US\$3bn and ≤US\$3.5bn (or currency equivalent) we shall endeavour to notify these companies of the Liontrust custom policy. Once the company exceeds a market cap of ≥US\$3.5bn (or currency equivalent), the Liontrust custom policy recommendations will apply.

For Developing & Emerging markets² where the Liontrust custom policy applies (>US\$3.5bn (or currency equivalent)) and an **AGAINST** vote is recommended for the **first two years** we shall apply an ABSTAIN vote in its place and will endeavour to notify/engage with the company that the following AGM season the Liontrust custom policy will apply.

¹ Markets under the Liontrust Custom Rest of the World Policy: Argentina, Australia, Brazil, Cayman Islands, Chile, China, Colombia, Hong Kong, India, Indonesia, Israel, Japan, Korea, Latin America, Malaysia, Mexico, New Zealand, Peru, Philippines, Russia, Singapore, South Africa, South America, Taiwan, Thailand.

² Developing & Emerging markets under the Liontrust Custom Rest of the World Policy: Argentina, Brazil, China, Colombia, India, Indonesia, Korea, Latin America, Malaysia, Mexico, Peru, Philippines, Russia, South Africa, South America, Taiwan, Thailand

Voting Issue	Liontrust Policy	Vote Recommendations
<p>Financial Statements and Statutory Reports (M0105)</p>	<p>We may withhold support from the Report & Accounts in certain instances including the following:</p> <p>Where adequate disclosure has not been provided or fundamental governance flaws have been found.</p> <p>Where the auditor has emphasised a matter or where the auditor has provided a qualified opinion.</p>	<p>Against where adequate disclosure has not been provided (e.g. annual report not disclosed in time).</p> <p>Abstain where auditor has emphasised a matter in its opinion.</p> <p>Against where the auditor has qualified their opinion.</p>
<p>Appointment of Auditors and Auditor Fees (M0101, M0109, M0136)</p>	<p>We hold that the Audit Committee should pay particular attention to the provision of non-audit services by the external auditor.</p> <p>Where non-audit services have been provided by the auditor. We will consider carefully both the actual value of non-audit services provided as well as the ratio between the audit and non-audit fees.</p> <p>We will take into consideration on a case-by-case basis the circumstances where there are serious concerns about the effectiveness of the auditors; the auditors are being changed without</p>	<p>Against if a big 4 auditor and if non-audit fees are more than 33% of audit fees.</p> <p>Abstain if big 4 auditor and excessive non-audit fees are more than 33% of audit fees and an adequate explanation is given.</p> <p>Abstain if outside big 4 auditors and if non-audit fees are more than £500,000 (or market equivalent) and are more than 33% of audit fees.</p> <p>Against if outside big 4 and if non-audit fees of five consecutive years and more than 33% of audit fees.</p> <p>Against if auditor tenure > 15 years.</p> <p>Abstain if there are serious concerns about the effectiveness of the auditors; the auditors are being changed without explanation; or the lead audit partner(s) has been linked with a significant auditing controversy.</p>

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<p>Company Boards (M0201) Director Elections</p>	<p>We hold that for companies in the main index we expect the majority of a Board to consist of independent directors. We will vote against non-independent directors if a majority of the board is not independent.</p> <p>For companies outside of the main market index, we seek to ensure that there is appropriate independent non-executive director and representation on the Board and would look for a board that is one third independent. Similarly, for companies which require employee representatives on the Board, we look to ensure that at least one-third of the Board comprises of independent directors.</p> <p>For companies listed in India, Hong Kong, Korea, Malaysia, Philippines, Singapore, Russia & Taiwan apply market practice independence classification.</p> <p>We expect directors to be able to dedicate sufficient time to the role. We will vote against any director that we feel is overboarded. Any person who holds more than five mandates at listed companies will be classified as overboarded. For the purposes of calculating this limit, a non-executive directorship counts as one mandate, a non-executive chairmanship counts as two mandates, and a position as executive director (or a comparable role) is counted as three mandates. Also, any person who holds the position of executive director (or a comparable role) at one company and a non-executive chairman at a different company will be classified as overboarded.</p>	<p>Against if non-independent NED and board is less than 50% independent.</p> <p>Against if non-independent NED and board is less than one-third independent.</p> <p>- In line with ISS</p> <p>Against if a Director is considered overboarded (to be applied in line with ISS).</p>

	<p>We will consider abstaining on the re-election of individual directors for:</p> <ul style="list-style-type: none"> › Material failures of governance, stewardship, or risk oversight; or › Egregious actions related to the director(s)' service on other boards that raise substantial doubt about that individual's ability to effectively oversee management and to serve the best interests of shareholders at any company. 	<p>Abstain if there are serious concerns of</p> <ul style="list-style-type: none"> › Material failures of governance, stewardship, or risk oversight; or › Egregious actions related to the director(s)' service on other boards that raise substantial doubt about that individual's ability to effectively oversee management and to serve the best interests of shareholders at any company.
Director Elections – Chair of Nomination Committee	<p>We will withhold support from the re-election of the Chair of the Nomination Committee: Where the board does not comply with board gender diversity regulations within its market; or there are no women represented on the board.</p>	<p>Against where the board does not comply with board gender diversity regulations within its market; or there are no women represented on the board.</p>
Election of CEO/Chairman	<p>We hold that a Chairman should be an independent non-executive director on appointment. However, once appointed a Chairman will no longer be considered either independent or non-independent.</p> <p>We will take into consideration on a case-by-case basis the election of a former CEO as Chairman or the election of an Executive Chairman.</p> <p>We will vote Against where a Company is seeking the election of a combined CEO and Chairman.</p>	<p>Against if a Chairman is being elected for the first time and Chairman is non-independent on appointment. For if all subsequent proposals to elect a Chairman.</p> <p>Against if an Executive Chairman unless an adequate explanation is given.</p> <p>Against if there is a combined CEO/Chairman.</p>
Terms of Office	<p>Director terms should not exceed more than three years as we feel that longer terms of office reduce director accountability to shareholders.</p>	<p>Abstain if a 4 year term of office.</p>

		Against if 5 year term or more of office.
Audit and Remuneration Committees	We will vote against any non-independent Director sitting on the Audit or Remuneration Committee.	Against if non-independent NED on Audit or Remuneration Committee. Against if an Executive Director on Audit or Remuneration Committee.
Remuneration Report (M0550) / Remuneration Policy (M0570)/ Share Plans (M0501, M0503, M0507, M0509)	We shall vote in line with ISS guidelines to determine our vote in the context of overall levels of remuneration which adhere to best market practice guidelines.	If ISS voting against use explanation. ¹
Share Issuances/Capital Structure (M0329/M0331/M0300s)	We will vote in line with recommended best practice on general share issuance requests and will consider on a case-by-case basis for specific requests.	Against if issue with pre-emptive rights exceed more than 100% of the currently issued share capital. Against if issuance of shares without pre-emptive rights exceed more than 20% of the currently issued share capital. <u>Australia & New Zealand</u> Issue of Shares (Placement): Advance Approval & Issue of Shares (Placement): Retrospective Approval – Case-by-case basis (In line with ISS) <u>Hong Kong</u> Generally vote for the general share issuance mandate for companies that: › Limit the aggregate issuance request - that is, for the general issuance mandate and the share reissuance mandate combined - to 10 percent or less of the relevant class of issued share capital; › Limit the discount to 10 percent of the market price of shares (rather than the maximum 20 percent permitted by the Listing Rules); and › Have no history of renewing the general issuance mandate several times within a period of one year. <u>Malaysia</u>

		<ul style="list-style-type: none"> › For companies listed on the Main Market and ACE Market of the Bursa Malaysia Securities Bhd (Exchange), vote for issuance requests without preemptive rights to a maximum of 10 percent of currently issued capital. › For real estate investment trusts (REITs), vote for issuance requests without preemptive rights to a maximum of 20 percent of currently issued capital. <p><u>Singapore</u></p> <ul style="list-style-type: none"> › For companies listed on the Mainboard of the Singapore Exchange, generally vote for a general issuance of equity or equity-linked securities without preemptive rights when the share issuance limit is not more than 10 percent of the company's issued share capital and 50 percent with preemptive rights. › For companies listed on the Catalist market of the SGX, generally vote for a general issuance of equity or equity-linked securities without preemptive rights when the share issuance limit is not more than 20 percent of the company's issued share capital and 100 percent with preemptive rights. <p><u>Taiwan</u></p> <p>Generally vote for general authority to issue shares if:</p> <ul style="list-style-type: none"> › A general share issuance mandate that includes a private placement as one of the financing channels if the resulting dilution is limited to no more than 10 percent. › A general mandate for public share issuance if the issue size is limited to no more than 20 percent of the existing issued share capital. <p><u>South Africa</u></p> <p>Vote for a general authority to place authorised but unissued ordinary shares under the control of the directors, unless:</p> <ul style="list-style-type: none"> › The authority is over a number of shares equivalent to more than 10 percent of the current issued share capital; › The authority would allow shares to be used for share incentive scheme purposes and the underlying scheme(s) raises concern; or › The company used the authority during the previous year in a manner deemed not be in shareholders' best interests. <p>Vote for a general authority to issue ordinary shares for cash, unless:</p> <ul style="list-style-type: none"> › The authority is over a number of shares equivalent to more than 10 percent of the current issued share capital; or › The company used the authority during the previous year in a manner deemed not to be in shareholders' interests.
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Organisational/Structure /M&A (M0400s)	We will evaluate on a case-by-case basis on all Company structure related items including reorganisations, mergers, acquisitions, related party transactions and any bid waivers.	Refer
Article Amendments (M0106,M0122, M0126)	We will consider on a case-by-case basis article amendments proposed. Should the articles be deemed to undermine shareholder rights we will withhold support.	Against if articles undermine shareholder rights or unfavourably change the board structure.

Items to be referred for internal consideration:

- Mergers & Acquisitions
- Mandatory Takeover Bid Waivers
- Reincorporation Proposals
- Shareholder Proposals
- Other non-routine items/controversial items.

Votes regarding global warming and the environment

Liontrust investment teams will vote their proxies in line with their investment processes. Liontrust supports the Net Zero Asset Managers’ Initiative and aims to attain net zero across its funds by 2050. As such, each investment team will, in the context of its investment process, vote as it sees fit regarding proxy votes on an investee company’s net zero plans or strategy or any other climate related issue. Where Liontrust deem corporate disclosures and/or management actions on climate change to be insufficient or the company fails to be proactive in communicating their strategy for reducing carbon emissions, Liontrust investment team(s) may withhold support from the re-election of directors or other related proposals, if this falls in line with the team(s) investment process.

Appendix:

- Liontrust endeavours to ensure that our policy adheres, where recommended, to local corporate governance codes or established by local best practice.

Our Definition of Non-Independent Director:

- Significant shareholder (over 3% of Company)
- An employee or executive of the company

- Currently provides professional services to the company
- Has a senior role at one of the Company's advisers
- Relative of executive (or former executive) or senior employee
- Founder/co-founder/member of founding family
- Former executive (five year cooling off period)
- Has been on the board for more than 15 years
- Has had within the last 3 years, a material business relationship with the company
- Conflicting or cross directorship with executive directors or the Chairman of the Company

ⁱ Where voting in line with ISS guidelines please refer to the relevant country policy: <https://www.issgovernance.com/policy-gateway/voting-policies/>