EdenTree Corporate Governance & Voting Policy

JANUARY 2025

Corporate Governance

Corporate governance is the system by which companies are directed and controlled for the long-term benefit of their shareholders. Good governance is rooted in accountability, stakeholder alignment, integrity, and responsibility, which fosters a culture of trust and financial stability. Companies without appropriate governance controls can exhibit poor management, a lack of oversight, and in some cases business failure. We hold the Board of Directors responsible for poor corporate governance performance, given their ultimate responsibility and duties to three key stakeholders: shareholders, the organisation's workforce, and the societal groups impacted by their operations

Proxy Voting

For companies in which we have equity holdings and are eligible to vote as shareholders, we aim to exercise our voting rights at all meetings. We generally seek to support management, however where companies do not meet the expectations set out in this policy, we will ultimately hold the Board accountable by voting against the company's voting recommendation on one or more agenda items. For example, we may vote "Against" a remuneration-related resolution where the company have recommended a vote "For," or we may vote "For" a shareholder proposal where the company have recommended a vote "Against."

For further information pertaining to our proxy voting specifically, including our use of proxy service providers and disclosure availability, please refer to page 17.

Policy Scope

Our Corporate Governance and Voting Policy outlines our key expectations of portfolio companies and serves to provide transparency around our assessment of corporate governance practices alongside the corresponding stewardship actions we may take where companies do not meet our expectations across the four areas below.

Boards & Oversight	**Remuneration & Incentives**	**Audit & Corporate Reporting**	**Shareholder Rights & Capital Issues**

In addition to exercising our voting rights, we may seek engagement with the synergetic objectives of enhancing our understanding of current practices and pushing for better practices where necessary. The mechanisms we use in our corporate governance related stewardship efforts are listed below, and signalled throughout this policy using the corresponding symbols.

Voting against management
EdenTree has adopted a policy of voting in support of company management except where proposals are viewed as not being in the economic or stewardship interests of shareholders, there is misalignment with the expectations set out in this policy, or where we have identified poor corporate governance practices.

Escalation of voting action
EdenTree will consider escalating voting action, usually by voting against the re-election of sub-committee or Board Chairs, where continued poor practice or oversight failures have been observed. We also escalate our voting action by pre-declaring our voting intentions, either directly to the company, or publicly via the PRI's Shareholder Resolution Database. Escalation may also be used to support engagement efforts where progress has been insufficient.

Engagement
As long-term investors, EdenTree believes a pragmatic approach best fulfils the objective of building shareholder value over time. EdenTree will seek to engage pro-actively with companies where possible, particularly where either existing corporate governance arrangements or management resolutions cause concern.

Boards & Oversight

Key Principles

- The structure of the Board, paired with a robust framework of effective governance mechanisms, are essential to its success. A clear articulation of purpose, and the corporate culture needed to deliver that purpose, enables engagement with wider stakeholders and fosters trust around key decisions.
- The composition of the Board, and related identification and nomination procedures, should be constituted so as to achieve diversity of thought, which supports a more robust and resilient decision-making process. Companies should therefore strive for a level of diversity in the skills, experience, and backgrounds on the Board that adequately reflect the customers and communities they serve.
- Transparency around the policies and procedures in place covering succession planning and Director selection procedures is key. In addition, the Board should ensure their responsibilities are clearly articulated alongside describing how effectiveness is assessed in reporting to shareholders.

Principle	Stewardship Guideline
Board Independence	
An independent majority on the Board is essential in fostering an uncompromised decision-making process and ensuring the Board acts in the best interests of the company and its stakeholders. We generally expect most Boards to have at least 50% independent Directors. Directors should be accurately classified. We retain the belief that, while exchange listing rules differ in their definition, Boards should make all efforts to classify their Directors in good faith to stakeholders. This is particularly relevant where Directors are considered affiliated, interlocked, or over tenured. The company should have a policy on tenure which is referenced in its annual report and accounts. This is particularly important for independent Board members whose independence may be impaired due to an excessive length of service, usually over 9 years.	We will vote against the election of Directors classified as independent if we view their independence to be compromised. Factors impacting independence include: • Director has had a material business or financial relationship with company • Director has significant links or cross-Directorships with other Directors. • Director is a significant shareholder (>3%) • Director has served on the Board for a length of time in excess of local tenure expectations. Where we view there to be misleading classifications of Directors as independent, we will escalate our action and vote against the election of the Nomination Committee Chair. Where the average Board tenure is over 15 years, we may escalate our voting action and encourage the Board to provide further information on their rotation procedures.
Independent Board Leadership	
The separation of the Board Chair and CEO role is fundamental as it increases the board's independence from management, and mitigates the risk of both agency conflict and potentially compromised decision making procedures. Regarding management's Board involvement, we also believe the CFO should be in the position of reporting to, and not serving on, the Board where possible, due to their level of input over a company's finances and financial reporting.	Where are company combines the two positions, we will vote against the election of the Nomination Committee Chair if there is no independent Lead Director appointed. The role of an independent lead Director is especially important, as they serve as a link between unaffiliated shareholders and the Board. Where the level of executive presence on the Board is a concern, we will consider voting against the election of a CFO serving as a Director.

Board Committees

Companies should disclose clear descriptions of the role of the Board, its committees, and how Directors engage with and oversee management. As best practice, we generally expect listed companies in most markets to have three separate Board committees, comprised of independent Directors, responsible for the core functions of audit, nominations, and remuneration. The Nomination Committee are responsible for Board appointments and policies, which should be made on merit and with consideration of the company's operational landscape. The Audit Committee are responsible for oversight of the process for internal controls and financial reporting. The Remuneration Committee are responsible for the policies and strategy in place for executive remuneration.	Where have significant concerns relating to an area overseen by a committee, we will hold the respective Chair or all Directors serving on the committee responsible. Further information on our actions relating to each committee is detailed in the relevant sections below, and will be considered on a case-by-case basis, however at a high-level: We may vote against the election of the Nomination Committee Chair for significant concerns around Board composition and misalignment with best practice. We may vote against the election of the Audit Committee Chair if there has been a material failure in oversight connected to the audit and reporting process. We may vote against the election of the Remuneration Committee Chair if remuneration practices and disclosures are particularly concerning.

Other Sub-Committees

To ensure effective oversight and management of key areas, other committees may be required if the company's business operations are exposed to other non-financial risks. These areas might include cybersecurity, ethical AI, human rights, and climate change. Further information on the identification, management, and disclosure of non-financial risks is contained in the Audit and Company Reporting section. Furthermore, an ad-hoc committee should be considered for non-ordinary issues, such as related-party transactions or internal investigations.	For large organisations with significant exposure to particular non-financial risks, we may vote against the election of the Nomination Committee Chair where there is insufficient relevant expertise or no committee with formal responsibility for oversight pertaining to these risks. As non-financial risks, such as climate change, present greater challenges to companies, we will carefully monitor the oversight structures in place and may escalate stewardship action where we view this to be insufficient.

Skills, Experience, and Diversity

Board composition should prioritise effective and independent oversight. As such Directors serving on the Board should represent a range of personal demographics, skill-related experience, and cognitive diversity. These characteristics should reflect, where possible, those of the communities in which the company operate. They should be suitable to support the company in meeting its strategic goals and reflect the evolving risks faced by the business. While improving Board diversity can be a gradual process, we expect Boards to disclose how diversity is considered in the	We will assess representation of skills and diversity against market-specific standards and expectations. Failure to meet these may result in financial and reputational issues, we will therefore seek to engage where this is a concern. Examples of such standards include: • Exchange Listing Rules, such as the FTSE Parker Review and Women Leaders Review • Local regulations, such as the EU Capital Requirement Directive and French Financial Markets Authority We may vote against the election of the Nomination Committee Chair where there is an

nomination process, including both professional and demographic characteristics.

Furthermore, companies should provide sufficient information to allow shareholders to adequately assess nominees. Disclosure should demonstrate how Directors will contribute to the overall diversity of thought on the Board, as well as how their skill set aligns with the company's long term strategy.

The Board should also ensure that the necessary ongoing training is provided to support Directors in effectively carrying out their duties, particularly in cases where the nature of a company's operations evolve over time.

insufficient representation of skills or experience on the Board relating to the material risks affecting the company, particularly where there is an absence of training in place to mitigate this.

Where no disclosure has been provided around improving continued poor representation of skills and diversity, we may escalate our voting action and vote against the election of the Nomination Committee Chair.

Rotation and Succession Planning

Directors should stand for election on a regular basis, for most markets this should be annually. Where Directors are not elected annually, we expect Boards to have a rotation policy in place that ensures appointments are re-confirmed at a standardised interval.

We expect Boards to disclose a policy on succession planning. This should include responsibility, oversight, and other variable factors requiring consideration as part of the succession process. This is particularly important where there are composition shortcomings, such as an overreliance on key individuals with long tenures.

Where the Board does not meet our expectations of structure and composition and there is no clear succession plan in place, we may escalate our voting action by voting against the election of the Nomination Committee Chair.

Where we identify potential composition risks, we pay close attention to succession planning disclosures and may engage with the Board to understand their intentions.

Attendance and Commitment

The Board and sub-committees should meet at regular intervals throughout the year to avoid operational oversights and ensure that they are able to react to events in a timely manner. This is especially relevant for the Audit Committee, who should meet at least twice a year to fully consider the Company's full annual and interim reports. Director attendance should not fall below 75%. Where repeated absences have occurred, the Board should clearly explain why.

Directors should have sufficient availability in order to effectively carry out their duties to the Board. In assessing availability, boards should consider the strain on time posed by additional external positions, as Directors who are overcommitted may face challenges in dedicating the time necessary to each position when any of the companies for which they serve as a Director face a crisis.

We may vote against the relevant committee Chair if the committee have not met a sufficient number of times over the year and there has been an oversight relating to the area(s) they are responsible for.

We are likely to vote against Directors who have not attended over 75% of meetings over the year. We will escalate this vote to the election of the Nomination Committee Chair if the attendance rate for any Director is less than 50%, and limited justification is provided.

We will not support a Director's re-election where the number of external positions held conflict with the necessary time to fulfil their duties to shareholders. For example, we will vote against the election of a Director who serves as an executive officer or chair of a public company while serving on over two public company Boards.

Board Effectiveness Evaluation

Companies should regularly review the effectiveness of their Board, including an independent assessment of the structures, procedures, practices, and dynamics that shape the Board and its members. We understand that there is no standard Board size as different companies require different structures. However, the Nomination Committee should ensure that the size of the Board does not compromise any exchange of thought, challenge, and efficient decision-making.	We may vote against the election of the Nomination Committee Chair where there are no clear signs of regular evaluation that considers the Board's performance, composition, diversity, and cohesion. We will not support proposals requesting officer exculpation, that eliminate or limit personal liability from claims brought against Directors by, or on behalf of, the corporation.

Board Accessibility

The Board should ensure that forums are available for shareholders to communicate directly with Independent Board members, including committee Chairs and Lead Directors, where relevant. Restricted access opportunities in this regard may indicate management entrenchment and a Board that are ignorant to shareholder perception.	Where we view there to be accessibility concerns, such as the Board imposing restrictive mechanisms, or where the Board have ignored significant shareholder dissent, we will seek to escalate by voting against the election of the Board Chair or Independent Lead Director.

Stewardship Focus Areas

In order for companies to make progress across our stewardship goals and key thematic priorities, they must have the right governance and oversight systems in place supporting key-decision makers. As such, Board-related principles are often a key topic in our discussions with companies. Key elements we seek to understand in our wider stewardship efforts, and take action on if necessary, include:

- The Board's commitment to ensuring stakeholder alignment, such as sufficient response to shareholder dissent, maintaining the independence of key sub-committees, and accurate independence classifications with recurring assessments of director independence over time.
- The structures in place supporting the Board's oversight of key operational risks, including health & safety performance, supply chain management, cybersecurity, and the environmental & social impacts of operations on local communities.
- The processes in place to ensure the Board remain well-positioned to fulfil their duties as required, such as the provision of training in key areas, annual evaluations of Board effectiveness, and clearly defined expectations regarding responsibilities and commitment.

Remuneration & Incentives

Key Principles

- Pay packages should be fair, balanced, and aligned with the company's strategy and long-term value creation, as well as the sustainable growth of the business.
- We expect the Remuneration Committee to be mindful of income inequality and the pay and benefits offered through the whole organisation.
- We believe shareholders should be given the opportunity to vote on executive remuneration, and should expect complete disclosure of executive remuneration so they are able to adequately assess whether companies' remuneration structures and practices are aligned to the delivery of sustainable performance.

Principle	Stewardship Guideline
Director Incentives	
We are cognisant of the variation in executive pay practices across markets, sectors, and regions. We therefore focus on the structure of the total package, the application of stretching targets, and the mechanisms used by, and available to, the Remuneration Committee. Furthermore, the incentives and rewards available to employees play a significant role in shaping organisational culture, as such we expect Boards to pay close attention to the alignment of executive and workforce pay and the calibration of benefits where possible. We believe pension arrangements available to executives should be aligned with those available to the majority of the wider workforce. Additional benefits available, such as transportation and security, should be reasonable and appropriate. For example, the use of corporate private aircrafts, in addition to generating harmful climate impacts, is rarely necessary. In most cases, it is an ineffectual cost ultimately borne by the company and its shareholders, and should be avoided. Fees paid to non-executive Directors serving on the Board should be linked to relevant components such as attendance and committee responsibilities.	Regarding a maximum pay threshold, we will apply additional review where the combined maximum opportunity available to executives and/or actual payout is considered egregious. We are unlikely to support excessive increases where sufficient rationale is not provided, or where they significantly exceed those offered to the general workforce. Where we identify particularly concerning indicators of income inequality across the organisation, including excessive pay ratios and preferential pension treatment, we may escalate by voting against the election of the Remuneration Committee Chair. We may also seek to engage with companies to gain clarity on the benefits available to employees and, where necessary, encourage better practice. We will vote against remuneration items where non-executive director fees are not linked to attendance or are deemed excessive.
Executive Remuneration Structure	
The Board should ensure plans are understandable, with performance measured over an appropriate period and against commensurate pre-established targets that are clear and quantifiable. Short-term incentive policies, such as an annual bonus, should be capped, and maximum payout granted only for outstanding performance primarily linked to the delivery of financial performance.	We do not support remuneration structures which are overly complicated, both in their disclosures and their ability to reflect pay for performance. We will vote against remuneration policies with uncapped bonus opportunities. In some regions, such as the UK, we also expect a portion of annual bonuses to be paid in the form of shares that are deferred for at least two years.

Long-term incentive policies should also be capped, and all components of the long-term incentive must be aligned with the company's long-term strategy and achievement of sustainable growth. The use of one-off or new incentive schemes that complicate the existing remuneration structure should be avoided, as should opportunities for the layering of bonus schemes. Where key elements of remuneration plan structure deviates from prevailing market practice, we expect Boards to provide sufficient disclosure and the rationale behind this decision. Remuneration policies should contain risk mitigating features such as clawback and malus provisions and limitations to the use of discretion.	✕ We may vote against remuneration items where performance is judged over a period that is shorter than three years. ✕ We are unlikely to support plans that are misaligned with local guidelines. This includes the introduction of time-based restricted shares that increases the fair value of total pay. ✕ We may vote against remuneration items where we are unable to find evidence of structural safeguards and risk mitigating features. Particularly where there is an absence of a clear policy that sets out circumstances under which malus and clawback will be applied.

Performance Measurement

Where a company grants total pay in the upper quartile opportunity range, we expect there to be sufficient rationale and alignment with performance. Regarding performance measurement, non-financial objectives under the incentive plans should reflect strategic ambitions and the non-financial risks that are most significant to the company's operations. The period over which performance is assessed should be no less than three years. Threshold vesting amounts, reflecting expected performance, should be graduated, with threshold vesting no higher than 30%. Full vesting should reflect exceptional performance and should be dependent on the achievement of genuinely challenging conditions. The Remuneration Committee should exercise discretion in the face of material oversights, failures, and controversies. For example, where safety is a key risk for a company and there have been fatalities or a significant increase in workplace injuries over the period, we expect the committee to reduce pay outcomes accordingly.	We will assess the appropriateness of performance measurements on a case-by-case basis. We generally expect the use of both absolute and relative measurements to avoid rewarding executives for elements outside of their control. ✕ We may vote against remuneration items where there are concerns around performance measures. Particularly where non-financial objectives are misaligned with the strategic ambitions and sustainability risks that are most significant to the company's operations, or where performance measures have been scaled back or retested. ✕ We will generally vote against remuneration items where vesting for threshold performance exceeds 30%. + Where a material oversight or misstated performance achievements have occurred, and the Remuneration Committee has not acknowledged or reflected this in pay outcomes, we will escalate our action by voting against the election of the Remuneration Committee Chair.

Alignment and Discretion

We expect Boards to benchmark pay as appropriate, against a peer group reflecting both the industry and region in which they operate. However, significant increases to base pay should not be solely driven by benchmarking exercises. We also expect Remuneration Committees to be mindful of the potential compounding effects of salary increases on variable pay outcomes.	✕ We may vote against remuneration items where the Board has used a benchmark that does not reflect the company's peer group, or appears to have been 'cherry picked' to facilitate a desirable outcome. ✕ We are unlikely to support new or updated equity-linked incentive plans where the dilution of

The committee should consider adjustments to prevent misalignment with shareholder interests. For example, where a company has experienced a significant fall in the share price over the year, and if any new award would result in a greater number of shares being granted, the size of the new award should be adjusted to ensure there is no prospect of reward for failure. Executive Directors should build up a significant level of personal shareholding through personal investment and vesting of share incentives to ensure alignment of interests with shareholders.	shareholder equity through the issuance of shares is excessive. We may vote against remuneration reports where awards have not been reduced following share price volatility, which could reward executives for factors outside of their control. We may vote against remuneration policies where shareholding requirements are not sufficient or in place, or where an appropriate post-employment shareholding requirement is missing.

Recruiting and Termination Benefits

Service contract terms should be aligned with best practice in their relevant markets, and in any case should not exceed the equivalent of 24 months compensation. Unvested long-term awards should be proportionately reduced to align with the actual time served. The use of 'golden hellos' or 'golden parachutes' given to executives in takeover situations should be avoided. A new director's remuneration should generally be lower than their predecessor, with a view to increasing in-line with experience accumulated. They should also be encouraged to purchase shares to ensure alignment with the company's long-term strategy.	We will not support remuneration structures or practices that appear to reward failure, and we will likely escalate our action by voting against the election of the Remuneration Committee Chair. We will not support remuneration reports in a period where a 'golden hello' has been used. We are also unlikely to support remuneration policies where a new director's salary is excessive, increased from their predecessor without rationale, or is not linked to performance. We are unlikely to support golden parachutes in general, but particularly in respect of conflict inducing 'single trigger' arrangements.

Remuneration Disclosures

Boards must provide clear and full disclosure on all aspects of remuneration. Both forward- and backward-looking detail is required for informed judgement by stakeholders. Policies should clearly illustrate alignment between the remuneration structure and shareholder interests. The Remuneration Committee should explain its policy for setting and reviewing salary levels. We expect remuneration not to be set in isolation, but within the context of the wider organisation. We therefore expect companies to improve disclosure on remuneration of the wider workforce, particularly the proportion of staff paid below the living wage.	We will generally abstain from voting where remuneration policies lack transparency around remuneration components for each director serving on the Board, or if targets are used that lack clarity in the context of the business strategy. Where there is poor or inadequate disclosure that prevents an informed judgement from being made, we will vote against remuneration items and potentially escalate by voting against the election of Directors on the Remuneration Committee. This extends to reporting on selective components that aim to disguise poor practice.

Say on Pay

To ensure accountability we maintain the view that all companies should seek shareholder approval for their remuneration arrangements in keeping with best practice, including those that are not currently	Where applicable, we will vote in favour of a 1-year term for say-on-pay frequency.

required by listing authorities to put their Remuneration Policy or Report to vote. The Remuneration Committee should carefully consider stakeholder feedback in designing the remuneration policy, particularly where significant shareholder dissent has occurred in previous meetings.	✕ We will vote against the election of the Remuneration Committee Chair if the Say-on-Pay result is not honoured. + We will likely escalate our voting action to vote against the election of the Remuneration Committee Chair where shareholder dissent relating to remuneration has not been adequately responded to or entirely ignored.

Stewardship Focus Areas

We believe remuneration structures and practices serve as an effective demonstration of how stakeholder alignment is prioritised within an organisation. Particularly as an indicator of culture, performance incentivisation, and the extent to which certain commitments are integrated. As such, we carefully evaluate remuneration when assessing a company's priorities and trajectory against our stewardship objectives. Key elements we seek to understand, and take action on if necessary, include:

- The structural components and safeguarding mechanisms in place to ensure stakeholder experience is reflected in pay outcomes. In particular, malus and clawback provisions, as well as the availability and use of discretion by the Remuneration Committee to adjust pay outcomes in light of controversies.
- The extent to which employee pay and experience is considered in executive remuneration, such as the balance of rewards, benefits, and pension arrangements available to executives versus the wider workforce.
- The link between remuneration and sustainable long-term success, including performance measures that are tied to financial performance, thematic revenue alignment, and progress against an organisation's sustainability commitments such as the achievement of safety- or climate-related targets.

Audit and Company Reporting

Key Principles

- A company's financial statements and reporting suite are critical in informing investor assessment, in that they provide a view on matters such as performance, financial position, and the effectiveness of internal controls. It is therefore crucial that companies ensure an independent and unbiased audit process is in place, with appointed auditors that are independent of the company and rotated as appropriate.
- Companies should ensure the establishment of an Audit Committee, comprised solely of independent Board members with an appropriate level of audit and financial experience. They should have clearly codified responsibilities including auditor appointments, oversight of financial reporting, and reviewing the robustness and effectiveness of related internal controls.
- Companies should provide sufficient financial and non-financial risk disclosures, including information around identification, management, and the extent of Board-level oversight. They should also clearly outline established remediation processes and how incidents over the period have been responded to.

Principle	Stewardship Guideline
Auditor and Audit Process	
An external audit provides independent assurance of a company's financial statements to its investors. The role of the auditor is to provide reasonable assurance that the financial statements give a true and fair view of the financial health of the company and that they have been prepared in accordance with appropriate accounting standards. To ensure a high-quality audit, we believe auditors should be held liable for the consequences of their actions. We therefore expect companies not to seek limitations on auditor liability. The company is expected to clearly disclose the audit firm used, the audit partner who led the audit, the tenure of that firm, why the Board considers the auditor to be independent, and how any potential conflicts are being mitigated. We also expected disclosure of the company's policy on the payment and provision of non-audit fees and services.	✕ We support the periodic tender and rotation of external auditors to maintain independence. As such, we will general vote against the re-appointment of an auditor should tenure exceed 20 years. ✕ We will not support the appointment of an auditor where material information about the external auditor is not disclosed, such as name, remuneration details, and replacement without explanation. We may vote against the election of the Audit Committee Chair if non-audit fees paid are considered excessive. ✕ We may vote against the election of the Audit Committee Chair where there is no policy in place to ensure the external auditor is retendered at least every 10 years.
Financial Reporting	
Companies should ensure financial statements and reporting are true, fair, and provided on time. We expect the Audit Committee to ensure shareholder interests are protected in relation to financial reporting, and to ensure complete disclosures except where information may be prejudicial to the interests of the company. Where an auditor has provided a qualified opinion, or elected not to provide an opinion, companies should make this abundantly clear to all stakeholders.	✕ We are unlikely to support votes relating to the receipt of the annual report and accounts where there are concerns about the integrity of the financial statements, including misstatement. ★ We may engage with a company where they have not adequately responded to matters which the auditor has highlighted as an area of concern.

Non-Financial Reporting

Non-financial reporting, including sustainability disclosures, should be aligned with applicable global reporting standards. Boards should have in place, or be working towards, a reporting suite that captures the material sustainability risks they face, in both their operations and supply chain.

For example, we believe companies with material exposure to climate risk in their operations or supply chain should provide thorough climate-related disclosures. In addition, where cybersecurity and data privacy is a material risk, particularly where sensitive data belonging to the public is held, the company should have appropriate governance, oversight, and expertise on the Board.

We may use our voting rights as an escalation action where we have engaged with companies on sustainability-related disclosures and progress has been insufficient.

In instances where we find climate-related disclosures to be absent or significantly lacking, we may vote against the election of responsible Directors or the Board Chair.

In instances where a company has been materially impacted by a cyber-attack, we may vote against the election of responsible Directors should we find the Board's oversight, response or disclosures concerning cybersecurity-related issues to be insufficient or entirely absent.

Compliance and Integrity

Companies should ensure robust compliance procedures and systems, particularly around compliance with regulations and listing regimes where relevant.

Companies should have independent systems in place for anyone to report incidents including:

- Whistleblowing and/or integrity lines
- Formalised and consistent firm-level ethics procedures
- Clearly signposted contact points, both externally available and internally across business functions

Companies should be transparent about incidents, and provide adequate disclosure on any oversights as well as remediation strategies in place.

Where there are concerns about the adequacy of compliance procedures and oversight, we will escalate our voting action, usually by voting against the receipt of the Reports and Accounts, to signal our concerns.

We may oppose the election of the Board Chair where a whistleblowing line or process is not clearly disclosed or publicly available.

To help inform our assessment of an organisation's oversight and approach to compliance and integrity, we will seek engagement where we identify significant or frequent cases of labour incidents in either their direct operations or supply chain.

Risk Management and Disclosure

We expect companies to have clear processes for assessing, identifying, and managing material risk areas. We view best practice to be a robust risk management framework and clear disclosures aligned with internationally recognised reporting standards. This includes sustainability-related risks such as those detailed below.

Climate change and nature loss are two systemic risks faced by companies that threatens the long term viability of an investment. We expect companies who are materially exposed to the impacts of climate change or nature loss or whose activities are negative drivers, to appropriately

We will vote against the election of sub-committee Chairs and members, or the Board Chair, if the company has experienced material failures in the oversight or management of salient risks.

Where we have concerns around the management of sustainability-related risks, we may:

Vote against the election of Board Chairs at companies operating in high risk sectors where Scope 1 or 2 decarbonisation targets have not been established.

disclosure their exposure and how there are mitigating their impact. Cybersecurity and increasingly risks posed by the adoption of artificial intelligence are emerging as significant financial risks. We expect companies to have the appropriate expertise, disclosure and internal risk management processes in place to pre-empt and manage these evolving risks. Companies exposed to elevated health and safety risks or human rights concerns can be exposed to negative financial impacts. We expect companies to manage their workforce and supply chain risk with sensitivity, humanity and adherence to all relevant regional and national legislation.	Vote against the election of Board Chairs at large companies who are not signatories to the UN Global Compact and do not adopt an equivalent framework. Vote against the election of Director(s) responsible for cybersecurity where there concerns around the assessment, identification, and management of cybersecurity risk. Vote against the election of the relevant sub-committee Chair or Board Chair where a company has not met the relevant listing requirements or Corporate Governance Code and has not provided sufficient rationale.

Stewardship Focus Areas

Audit and Company Reporting principles underpin all stewardship efforts, as disclosures provide a view on the effectiveness of internal controls and form a critical component of the investment thesis. Furthermore, disclosures are often an early milestone in achieving the objectives we establish for each of our engagements. Key elements we seek to understand in our wider stewardship efforts, and take action on if necessary, include:

- The integrity of the audit process and adherence to regulations, including auditor independence, clear procedures in place for auditor rotation and tendering, the absence of historic misstatements or qualified opinions, and adherence to taxation and accounting rules.
- The robustness of internal controls and integration of material sustainability risks into overall risk management systems, such as labour management, health & safety, supply chain management, cybersecurity threat, ethical AI, product responsibility, and the environmental & social impacts of operations on local communities.
- The availability and quality of disclosures versus both peers and market-level expectations, including the publication of key policies, sustainability disclosures, and relevant information that supports stakeholder assessment.

Shareholder Rights and Capital Issues

Key Principles

- Shareholder democracy is a fundamental tenet of effective corporate governance and fair markets. For this reason, we will not support measures that seek to undermine unaffiliated shareholders and supports the one share, one vote standard, in which all voting rights are equal across shareholders.
- We expect Boards to protect and facilitate the exercise of shareholders' ownership rights. This includes giving shareholders reasonable notice of all matters in respect of which they are required, or may wish, to take action on.
- We will carefully review proposals relating to capital management and activity relating to Mergers and Acquisitions (M&A) or transaction activity. This will include collaboration between the Fund Management and Responsible Investment Teams to ensure all potential implications on the investment case are considered and reflected where necessary.

Principle	Stewardship Guideline
Voting Rights	
The principle of shareholder democracy forms an important part in the governance regime of public companies. We believe effective corporate governance includes shareholders having the ability, in proportion to their economic ownership of a company's shares, to effect and approve changes relating to corporate governance. We expect shareholders to have the right to vote on major decisions which affect their interest in the company. We support simple majority voting except at controlled companies where simple majority voting may disadvantage minority shareholders.	✕ We may vote against the election of the Board Chair and Independent Directors if a multi-class share structure without a reasonable, time-based sunset provision. ✕ We will vote against proposals that adversely impact the voting rights of shareholders or create a new class of stock that deviates from the one share, one vote standard. ✕ We will not support proposals that shift voting procedures in a way that disadvantages unaffiliated shareholders.
Meetings	
Shareholder meetings are an essential forum for shareholders to exercise their rights, serving as a fundamental system for holding management accountable. Companies should make all reasonable efforts to ensure meetings are accessible to the majority of stakeholders. Companies should ensure that agenda items are clear and accurate, including the provision of a sufficient level of detail that enables shareholders to make an informed decision. We expect companies to publish voting results following their Annual General Meetings. Where there is reasonable levels of opposition ('dissent') to an item, we expect companies to respond, at the time of announcing the relevant voting results, and share how they intend to address the dissent.	✕ We are unlikely to support proposals to hold virtual-only meetings unless this is due to exceptional circumstances. ✕ We will not support a resolution if the agenda name or supplementary information is unclear. + We will vote against the election of the Board Chair where vote results are not published within a reasonable time following the meeting. + We will vote against the election of the relevant sub-committee Chair where response to shareholder dissent is viewed as insufficient. For example, not consulting shareholders on the opposition received, or a lack of clear actions established in response to shareholder concerns.

Proxy Access and Contested Elections

Proxy access is a process, specific to North America, that gives shareholders the ability to nominate a director to the Board. It is an important shareholder right and one that we are supportive of.

Contested elections occur when multiple parties, usually management and at least one dissident shareholder, nominate competing slates of Directors.

We will review contested elections on a case-by-case basis and determine which are most likely to resolve issues of poor firm performance.

Criteria under consideration will include the relative qualification of nominees, long-term financial performance, Board performance, management track record and compensation plans.

Shareholder Proposals

The right to submit proposals to company general meetings is an important shareholder right. While all shareholder-submitted proposals require careful consideration, we seek to support those that enhance shareholders' rights, are in the economic interests of shareholders, or support sustainability and good governance.

High quality proposals often focus on requests for reasonable disclosure of currently unavailable information related to material issues, the success of which would enable better shareholder assessment of how the company are managing risks, impacts, and opportunities.

Each proposal will be assessed with regard to its reasonableness, the materiality of any business risk, cost implications, and whether the proposal supports EdenTree's wider aims and objectives.

In determining our decision, we may seek engagement with the proponents and/or the Board prior to voting.

We will escalate our voting action where we view a company's share class structure to be responsible for the failure to implement a proposal widely supported by unaffiliated shareholders.

Article Amendments

Amendments to, or the adoption of, company Articles of Association should be submitted to shareholders for approval. In proposing amendments, we expect the protection of shareholder rights to be a primary consideration.

Bundled amendments should be avoided, notably where one or more sub-provisions potentially breach shareholder rights. For example, bundling a series of generally accepted sub-provisions with an exclusive forum provision, that restricts shareholders' rights to pursue legal action and remedies.

We will vote against proposed amendments that have a negative impact on the rights and interest of shareholders.

We will vote against proposals that lack sufficient information and/or rationale, and subsequently limits shareholders ability to assess the consequences of the proposed changes.

We will vote against proposals that seek to adjust structures or practices away from local or generally accepted best practice.

Share Issuance

We support a company's ability to issue shares to raise capital. However, shareholders should have the opportunity to approve the issuance of common shares which will have a dilutive effect on their holdings.

Pre-emption rights are a cornerstone of UK company law and provide investors with protection against excessive dilution from the issuance of new equity. Pre-emption rights may be 'dis-applied' by

We will support routine share issue authorities and purchase of company's own shares so long as shareholder rights are protected and are generally within Investment Association pre-emption and dilution limits.

Where the relevant market has a limit on the number of shares that can be repurchased each year, we would not support requests beyond this limit.

way of a special resolution of shareholders at a General Meeting. Share repurchases can be a flexible way to return cash to shareholders. We expect the Board to be transparent in how the share buyback authority will be used in relation to other potential uses of capital (such as dividends, internal investment or for M&A)	In all markets, we would expect a detailed rationale to support authorisation requests greater than 10% of the issued share capital.

M&A, Restructuring, and Reincorporation

The Board has an important role in ensuring that the company is appropriately valued during change of control transactions. Anti-takeover devices that have the effect of discouraging transactions pose concerns around shareholder rights, with many serving to entrench management and prevent shareholders from fairly assessing the attractiveness of proposed bids. In M&A activity and restructuring exercises, we expect companies to prioritise workforce considerations. Additional caution and diligence should be taken where employee layoffs are required, and all reasonable effort should be made to re-post or support staff in such cases. When considering reincorporation and restructuring, we expect companies to carefully consider relevant laws, corporate governance requirements, and shareholder protections.	All matters relating to M&A activity and potential anti-takeover devices will be reviewed on a case-by-case basis, with input from both the FM and RI team. Areas of concern may include: • Proposal to repurchase shares during a bid period at a price notably above the shares' fair market value; • Blank-cheque preferred shares serving to block a potential takeover bid; • Poison pills that enable the Board to issue additional dilutive shares where a bid is received; • Proposals to transfer the legal title of an asset to a friendly party serving to circumvent a bid. ✕ We will vote against reincorporation where the proposal is made solely to limit Directors' liability, or where the proposal is made as part of an anti-takeover defence that is misaligned with shareholder interests.

Transactions

Shareholder approval should be sought for related party transactions. The Board should endeavour for complete transparency, including disclosures of the parties involved, any potential conflicts, the size and nature of assets or services transacted, the value of the proposed transaction and the stated rationale, including discussions of the respective timeline. We do not support unspecified proposals relating to the Transaction of Other Business, as such proposals often grant unfettered discretion.	✕ We are unlikely to support a related-party transaction if the Board does not have a related-party transaction policies in place and provides no disclosure on the formal process of identification, mitigation, documentation and information on RPTs. ✕ We will not support proposals lacking detail relating to the Transaction of Other Business

Political Donations

We generally view political donations to be an inappropriate use of capital, and are not supportive of management proposals authorising such expenditures. Precautionary mandates for legitimate political expenditure as defined by the Companies Act 2006, or equivalent, is generally deemed acceptable.	✕ The direct payment of party-political donations will not be supported. ✕ We are unlikely to support excessive political expenditure proposals. For example, we will vote against UK company requests in excess of £100,000pa.

edentree investment management

Stewardship Focus Areas

Shareholder rights and capital management, when assessed in tandem, can provide valuable insights into how an organisation balances the best interest of long-term shareholders with operational success. The limitation of, or barriers imposed on, shareholders' rights serve to entrench management, and are often in direct conflict with our sustainability objectives. Key elements we seek to understand in our wider stewardship efforts, and take action on if necessary, include:

- The share-class structure in place, including the Board's intentions around establishing time-bound sunset clauses and/or move towards the one share-one vote principle.

- The consideration of workforce and stakeholder impacts over the course of restructuring exercises and/or M&A activity, including restructuring, personnel layoff procedures, and protecting shareholder rights in article amendment proposals.

- The responsible management of capital, including clearly defined operational authorities, protective mechanisms to ensure no one individual has undue influence on the decision-making processes, and the appropriate facilitation of capital raising, where required.

EdenTree Proxy Voting Disclaimers

Proxy voting policy

Proxy voting is a core responsibility of asset managers. We believe that shareholders have a vital role to play in encouraging high standards of corporate governance from the perspective of being long-term investors, we therefore seek to vote at all meetings in which we eligible to. We will also seek to engage pro-actively with companies where either existing corporate governance arrangements or management proposals cause concern.

Voting is conducted in accordance with this policy, and we seek to vote at all meetings in all markets. The only exception to this is share-blocked meetings, where we would otherwise have to waive our right to trade in the stock for a period prior to the meeting. We have taken a House view that we will not do this, and in these situations we will not vote. This is increasingly rare however, and only occurs in a handful of markets such as Norway and Switzerland.

Implementation and use of proxy advisory services

For voting execution, we use the services of a third-party proxy advisor, Glass Lewis. Their Viewpoint platform enables consistency in our voting by applying EdenTree's bespoke voting template to make recommendations on routine matters in line with this policy, however the EdenTree RI team are responsible for reviewing these recommendations, and ultimately making a final decision based on our policies and in-house research, as well as any engagements with the relevant company. We believe that a case-by-case approach is essential for non-routine matters and certain resolution-types, such as shareholder proposals, M&A decisions, and investment trust continuation matters. We therefore have no automatic voting recommendation in these cases, allowing for a decision to be made following deep research, discussions with the investment teams, and engagement with other parties prior to voting, such as the proponents of shareholder proposals, other investors, and the company themselves.

This process means our voting approach does not differ across funds – ensuring our voice is not diluted. Voting is monitored on a daily basis by the RI team in collaboration with the Operations team and Glass Lewis. As an additional layer of monitoring, Glass Lewis maintain quarterly KPIs that we review with them.

Stock lending

We do not stock-lend believing this to be an inappropriate use of client assets as well as an unnecessary distraction from our core Stewardship responsibilities. Stock lending requires a process of 'recall' so that we do not miss our entitlement to vote the stock. Given our Policy is to vote at all meetings in all markets, stock lending adds a layer of risk in terms of potentially missing ballots due to recall failure, in addition to its being, in our view, an inappropriate use of client assets.

Disclosures

A complete and transparent record of voting action taken is published quarterly in a single House Global Corporate Governance Report. This contains summary statistics of our voting activity over the quarter, detail of action taken where we have voted against management's recommendation, and accompanying rationale. Additional case studies are also available in our quarterly and annual RI Activity Reports, as well as our annual UK Stewardship Code submission, all of which are available on our website. Voting reports tailored to specific client mandates are provided as routine or on request.