

# The UK Stewardship Code

## Principle 1

**Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.**

The Stewardship Code (the “Code”) is a UK-based code issued by the Financial Reporting Council (“FRC”) and is directed at institutional investment managers and asset owners. The primary aim of the Code is to promote engagement between institutional investors and companies to enhance long-term shareholder value and improve corporate governance.

Mondrian Investment Partners Limited (“Mondrian”) is a discretionary manager for institutional accounts, investing in equity markets around the world. As a long-term, value-oriented, defensive manager, Mondrian is in full support of the aims of the Code which are aligned with Mondrian’s long-term investment strategy for which it has been appointed by its clients. As a fiduciary, Mondrian believes that it has a duty to engage with, and monitor, companies in which it has invested client monies to safeguard the value of assets for which it has been entrusted. Its ability to engage varies by country with the UK being in the vanguard of good corporate governance.

### Mondrian Investment Philosophy

Mondrian is a long-term, value-oriented investment manager. All of Mondrian’s fundamental equity investment products are driven by extensive, bottom-up fundamental company analysis and a comprehensive program of meeting with both current and prospective companies under consideration for investment.

We believe that the value of an asset is equal to the present value of the sum of the future cash flows associated with that asset; in the case of public equities, cash flows are normally realised in the form of dividends. Therefore, we use a long-term, four-stage dividend discount model to estimate the intrinsic value of companies. As such, any and all factors that could materially influence the future cash generation and dividend paying ability of a company must be considered in an analyst’s valuation in order to, as accurately as possible, forecast the potential returns of an investment. Since the inception of the firm, Mondrian has aimed to consider all material factors that could influence these cash flows, incorporating the analysis of environmental, social and governance (“ESG”) risks as a normal part of the valuation process.

### Role of Stewardship within Mondrian’s Investment Process

With the exception of Mondrian’s systematic equity portfolios which are not covered by this Stewardship code, Mondrian pursues an active investment management approach. Stewardship considerations are part of the initial purchase decision, subsequent monitoring of an investment and any ongoing dialogue with an investee company, including active participation through our proxy voting process.

Our investment decisions are driven by detailed, bottom-up investment analysis considering financial statements, external research sources and direct company meetings. In order to support their analysis, at company meetings our analysts will discuss:

- The current and long term outlook for the business;
- The risks to that outlook and the company’s business;
- The company’s future business strategy; and
- Governance policies and structures that support or hinder our confidence in the future outlook.

Item 4 will potentially include a discussion of governance policies; corporate structure; management and board experience and composition; remuneration policies; board oversight policies and procedures; ESG considerations and policies on shareholder returns.

As a long-term oriented, value investment manager our objective is to identify undervalued companies with a view to achieving an attractive long-term real return for our clients. Such companies may face governance, operational or strategic challenges during the period of our ownership. Our initial approach is to engage with any company that is not meeting expected standards or could improve its governance or operational performance. However, should our analysis reach the conclusion that a company is taking undue risks, has insufficient governance or is unlikely to meet necessary operational performance to achieve satisfactory returns, our policy is to conclude any engagement and divest the holding from our clients' portfolios.

### Proxy Voting Policy

Having chosen to invest in a company, as a general policy, Mondrian aims to support the management of the companies in which we invest. However such support still requires active engagement and when our view, especially on governance, differs with that of the company or where there is a failure to achieve our reasonable expectations for shareholder return, we will consider promoting change. Under these circumstances, actions are undertaken on a case-by-case basis. We will normally first ask to discuss issues with executive or non-executive directors, if relevant, work with other institutions collectively to press for change, and finally exercise Mondrian's voting rights against the Board Of Directors (the "Board") or management. Local practice and governance are taken into account when voting shares or engaging with the management of companies, particularly in less developed markets. If Mondrian decides to abstain or vote against a company we will typically discuss our reasoning for this action with the company, as our long-term objective is not to create disruption, but rather to promote change and sustainable governance. Should engagement continue to prove unsuccessful in fulfilling the required objectives, Mondrian may choose to divest its shares in the company.

Mondrian is typically delegated the authority to vote (and at Mondrian's discretion, if permitted by applicable law, to refrain from voting) proxies for securities held in a client's account. Mondrian has an obligation to make voting decisions in the best interests of its clients, in accordance with its contractual, legal and fiduciary obligations. Mondrian votes proxies on behalf of clients pursuant to its Proxy Voting Policy and Procedures document (the "Procedures"). The Procedures provides a consistent approach to voting, as well as ensuring that voting decisions are effected in accordance with its legal and contractual obligations. The aim is not to micro-manage, but to ensure that each company is run in the best interests of the shareholders.

In order to facilitate the actual process of voting proxies and to supplement our primary research, Mondrian uses Institutional Shareholders Services ("ISS") to analyse proxy statements. Mondrian considers that ISS's services align directly with the key principles of the Code. ISS provides recommendations for each proxy ("ISS Recommendations"). ISS's proxy analyses and voting recommendations are based on publicly-disclosed standard policies and guidelines which reflect prevailing market best practices, codes and standard of corporate governance. ISS develops and refines these annually through a formal policy formation process.

In the preparation of ISS's voting analyses and recommendations, ISS endeavours to speak directly to a company if any aspect of the company's disclosure is unclear and to ensure that its understanding of the facts is accurate. ISS maintains meeting notes and includes a synopsis of the discussions in its voting report, which provides an audit trail.

To help make sure that Mondrian votes client proxies in accordance with the Procedures and in the best interests of clients, it has established a Proxy Voting Committee (the "Committee") which is responsible for overseeing the proxy voting process. The Committee consists of the following Mondrian personnel (i) two senior investment staff; (ii) Chief Operating Officer; and (iii) Chief Compliance Officer. The Committee will meet as necessary to help Mondrian fulfil its duties to vote proxies for clients. One of the main responsibilities of the Committee is to review and approve the Procedures on a yearly basis.

Mondrian's investment analysts review all individual proxy voting motions. They will take into consideration the relevant facts and circumstances, the ISS Recommendation, the ISS research, and any conflicts of interest to determine how the proxy should be voted, so that the proxy is voted in the best interests of the client. As Mondrian has adopted the Guidelines, in the vast majority of cases Mondrian will follow the ISS Recommendation.

However, there may be times when Mondrian believes that the best interests of the client will be better served if it votes a proxy counter to the ISS recommended vote on that proxy and, where that situation arises, the matter will be referred to the Committee.

The Committee will generally review the research provided by ISS on the particular issue, and it may also conduct its own research or, if necessary, solicit additional research from another third party on the issue. After gathering this information and possibly discussing the issue with other relevant parties (e.g. the Chief Investment Officer of the relevant product who, as long as there is no conflict of interest, will both know the company well and have aligned interests with their clients), the Committee will use the information gathered to determine how to vote on the issue in a manner which the Committee believes is consistent with Mondrian's Procedures and in the best interests of the client.

The Procedures reflect Mondrian's determination of the principles it will apply in voting proxies. They address a wide variety of individual topics including, amongst others, routine business items, election of directors, reorganisations, and various shareholder proposals. The Procedures are reviewed at least annually. Mondrian can provide its clients with voting reports on a monthly, quarterly or annual basis as agreed between Mondrian and its client. Mondrian's Procedures are audited as part of a controls report in accordance with the International Standard on Assurance Engagements 3402 'Assurance Reports on Controls at a Service Organization' issued by the International Auditing and Assurance Standards Board' ("ISAE 3402") and the American Institute of Certified Public Accountants' Attestation Standard AT-C Section 320 'Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting' ("AT-C 320")(the "Controls Report"). The Controls Report is carried out on an annual basis, auditing Mondrian's business, including its proxy voting procedures and controls. The Controls Report is provided to clients upon request.

## Principle 2

**Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.**

As a fiduciary, Mondrian recognises the importance of identifying and taking steps to mitigate potential conflicts of interest. Mondrian operates its business to high ethical standards and provides all clients with its Code of Ethics Policy, Conflicts of Interests Policy and the Proxy Voting Policy and Procedures, all of which are reviewed annually. The Conflicts of Interests Policy and the Procedures can be found on our website at: [www.mondrian.com/Conflict-of-Interest-policy.pdf](http://www.mondrian.com/Conflict-of-Interest-policy.pdf).

As an independent, non-public asset manager which does not engage in any other business activities, Mondrian is free of many of the conflicts of interest that could cause issues for large conglomerates, listed companies or companies with affiliates. Furthermore, Mondrian uses a team based, model portfolio approach to selecting investments which reduces the risk of competing interests based on differing client investments.

As set out in the Conflicts of Interest Policy, Mondrian has a culture which recognises the fiduciary duty we owe to our clients, and the requirement that the clients' interests are put ahead of Mondrian's or any individual's. Mondrian must ensure that its clients are treated fairly, particularly when looking at interests between clients. Mondrian has strict policies on trade allocation and equitable treatment of all clients, gifts and entertainment, personal trading, market abuse, insider trading, wall crossing and the disclosure of any possible conflicts. All disclosed conflicts are reviewed quarterly at the board level.

When a possible conflict is disclosed to the Compliance Department, it is responsible for ensuring that the conflict is addressed in a manner equitable to all relevant clients. For example, Mondrian may, if rarely, encounter conflicts between clients who own shares on both sides of a proposed corporate action transaction such as a takeover. In such circumstances, we will make decisions independently in the interests of each group of specific clients relevant to their specific holding of the investment in question. If necessary, the Compliance Officer may refer the decision to a senior manager not connected to the day-to-day management of the account(s) concerned, refer the issue directly to the Chairman or abstain from voting if voting would create the appearance of impropriety. As noted under Principle 1, Mondrian has implemented Procedures that are designed to ensure that it votes client securities in the best interest of clients. In order to facilitate the actual process of voting proxies, Mondrian has contracted with ISS to analyse proxy statements on behalf of its clients. Other conflicts which may arise include where an investee company or an affiliate of the company is also a client of Mondrian's. Typically in these situations, our client will have provided a list of affiliated companies in which Mondrian may not invest for that particular client, thereby avoiding any conflict. We will however, consider the investee company for our other accounts regardless of such conflict.

## Principle 3

**Institutional investors should monitor their investee companies.**

### Mondrian Investment Process

Mondrian is a long-term, value-oriented, defensive manager. Across all of Mondrian's fundamental equity investment products, the research process is driven by extensive, bottom-up fundamental company analysis and a comprehensive program of meeting with current and prospective holdings.

Our investment decisions are driven by detailed, bottom-up investment analysis considering financial statements, external research sources and direct company meetings. An important element of our process is actively meeting with current and prospective investments. In order to support their analysis, at those meetings our analysts will discuss:

- The current and long-term outlook for the business;
- The risks to that outlook and the company's business;
- The company's future business strategy; and
- Governance policies and structures that support or hinder our confidence in the future outlook.

Item 4 will potentially include a discussion of governance policies; corporate structure; management and board experience and composition; remuneration policies; board oversight policies and procedures; ESG considerations and policies on shareholder returns.

Mondrian pursues an active investment management approach. Stewardship considerations are part of the initial purchase decision, subsequent monitoring of an investment and any ongoing dialogue with an investee company, including active participation either through proxies or in-person attendance at shareholders' meetings.

Portfolio construction and security selection decisions, in the case of equity products, are made by the relevant Equity Strategy Committee ("ESC") for each product, which meet on a regular basis to review current portfolio holdings and prospective investments. These meetings are also an opportunity to discuss issues related to ESG we feel may have an impact on performance and valuation. Mondrian uses a model portfolio system, where portfolios with the same mandate are managed in line with the ESC decisions, ensuring that the majority of a portfolio manager's time is available for research. All investments are formally peer-reviewed regularly.

Through Mondrian's research process, our analysts are expected to gain a strong understanding of the quality of management and board-level oversight. Mondrian builds strong relationships with our investee companies, enabling us to deal with concerns directly and our scale generally grants us regular access to company board members.

### Record Keeping and Evaluation

Mondrian maintains a record of all voting activity and engagement we undertake with companies which may be referenced for future engagement and discussion. We consider our engagement an evolving process within a long-term investment strategy. We do not specifically attempt to disaggregate and evaluate the outcome of any specific event.

### Proxy Voting

Mondrian votes the majority of its clients' shares by proxy. Typically Mondrian considers that unless there is a particularly contentious issue involved, where our presence may be in the best interests of our clients, an annual general meeting is not a useful source of information on the company and therefore it is very unlikely that Mondrian would attend in person. Mondrian keeps details of all votes cast and the reasons for such votes. Proxy voting reports are available and provided to clients who request them.

In 2018, Mondrian voted at 503 AGMs, OGMs, SGMs and EGMs with the number of items voted being 84,251. Of these, Mondrian voted against 5,490 items. When Mondrian has voted against or abstains on a resolution it considers material, it will normally engage with the company to explain its reasoning and to encourage improvements where possible. Specific issues where we have voted against management include the election or re-election of particular board members where Mondrian considers them unsuitable due to amongst other things: a lack of experience, inherent conflict or, in the case of a non-executive appointment, a lack of independence. We have also voted against remuneration policies and proposals; mergers and acquisitions; issuance of stock options; changes to the corporate articles of association; structure of intracompany loans; and the acceptance of a low offer for the company or a subsidiary. It is our normal process to speak to the company management or Board representatives should we decide to vote against their recommendations. Mondrian's Procedures document may be found at [www.mondrian.com/Proxy-Voting-Policy.pdf](http://www.mondrian.com/Proxy-Voting-Policy.pdf).

### Wall Crossing and Insider Policy

In the unlikely event that Mondrian is made an insider, Mondrian must follow its internal compliance procedures governing market abuse and insider dealing. In certain circumstances Mondrian believes that it is in its clients' best interest for investment staff to be wall-crossed on a "need-to-know" basis in order to assist a company during an important stage in its development. Although this may result in a situation where Mondrian is unable to trade in the shares of the company where Mondrian holds inside information, the advantages and disadvantages of this will be weighed up before Mondrian agrees to be made a party to the information. An important factor that is taken into consideration when Mondrian determines whether it will become a recipient of inside information is the length of time that Mondrian will be blocked from trading i.e. the period that Mondrian will hold the information. Generally speaking Mondrian is prepared to be wall-crossed for periods up to 48 hours (i.e. 2 business days) and any period longer than this would only be permitted in exceptional circumstances. Mondrian will make a judgment of

each individual situation when in discussions with companies and their advisers as to whether we wish to be made an insider or not and to ensure that we comply with our own internal procedures for managing insider situations.

For further information, please contact Mondrian's Chief Compliance Officer: Edward Lambert (phone: +44(0)20 7477 7000 and email [edward.lambert@mondrian.com](mailto:edward.lambert@mondrian.com))

## Principle 4

### **Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.**

Mondrian is a long-term-oriented, value investment manager and our objective is to identify undervalued companies with a view to achieving an attractive long-term real return for our clients. Such companies may face governance, operational or strategic challenges during the period of our ownership. Our initial approach is to engage with any company that is not meeting expected standards or could improve its governance or operational performance. However, should our analysis reach the conclusion that a company is taking undue risks, has insufficient governance or is unlikely to achieve necessary operational performance to achieve satisfactory returns, our policy is to conclude any engagement and divest the holding from our clients' portfolios.

Mondrian's stewardship review process for investments has three stages:

- Annual company valuation peer review process
- Regular investment committee meetings
- Proxy Voting Process

Portfolio managers/analysts bring security buy or sell recommendations from their regions or sectors to the respective equity team and the respective Equity Strategy Committee to either be added or removed from the Mondrian approved buy list. Securities are analysed by the dividend discount model and those which are mispriced relative to their value are candidates for buying or selling. Prior to bringing a security to the committee, analysts will have completed in-depth, fundamental research, including an analysis of ESG risks and opportunities, and will have presented their work to a relevant peer group review. Securities which are significantly undervalued relative to the dividend discount model's valuation are considered buy candidates.

The performance of all investments is reviewed at regular investment team meetings. Discussion includes a review and explanation for recent stock market performance; a summary of any recent corporate results; and a summary of any meetings with management or board-level company meetings. Any new information is benchmarked against previous expectations for the company. Specific issues arising are identified, and solutions including potential engagement or the results of engagement are considered.

When Mondrian's views differ from those of management and where there is a failure to achieve Mondrian's reasonable expectations for shareholder return, Mondrian will consider promoting change. Mondrian escalates on a case-by-case basis with the deliberate aim of making changes to management or strategy to release value that is inherent within the business. Mondrian may ask to discuss issues with executive or non-executive directors; send both informal and formal communications to management; work with other institutions to press for change; or exercise Mondrian's voting rights against the Board. However, if Mondrian feels that there is a significant risk that a company's earnings growth will be negatively affected due to the action or inaction of management or where we have misgivings about the company in the long term, Mondrian will generally sell the holdings in a company in order to protect our clients' investments.

Mondrian believes that engagement with a company is most effective where it is built upon a long-term relationship with the Board and management, who understand that Mondrian has a long-term interest in the company achieving the best possible returns for its shareholders. Mondrian prefers to have confidential and private discussions with companies which enable it to further build an effective relationship.

Mondrian believes that recommendations of management on any issue (particularly routine issues) should be given a considerable amount of weight in determining how proxy issues should be voted. Thus, on many issues, Mondrian's votes are cast in accordance with the recommendations of the company's management.

However, Mondrian will normally vote against management's position when it runs counter to Mondrian's Procedures, client-specific guidelines or is otherwise deemed not to be in the best interests of clients. Mondrian's Procedures document may be found at [www.mondrian.com/Proxy-Voting-Policy.pdf](http://www.mondrian.com/Proxy-Voting-Policy.pdf).

Mondrian has previously intervened where we consider there are concerns about strategy and performance; structure of intracompany loans; an acceptance of a low offer for the company; the structure of the board or management (for example, where there is a lack of independence on the board); executive remuneration; and where minority shareholder rights are potentially compromised.

## Principle 5

### **Institutional investors should be willing to act collectively with other investors where appropriate.**

Where we find that the approach of direct engagement with the management and board of a company is ineffectual in dealing with Mondrian's concerns, subject to any regulatory restrictions and where it is in our clients' best interests to do so, Mondrian may act collectively with other shareholders and governance organisations. While Mondrian recognises the benefits of working alongside other like-minded investors and the likelihood that such engagement may be the most effective means of securing the required change, Mondrian would generally only participate in collective engagement on critical issues which may have a material impact on shareholder value. Any engagement would be reviewed on a case-by-case basis and would require the knowledge of the product CIO and the Chief Compliance Officer.

Any conflict of interest would be managed in accordance with Mondrian's Conflicts of Interest Policy. Similarly, the receipt of inside information would be managed through the procedures outlined in Mondrian's Market Abuse Policy.

Mondrian is a member of the Investment Association. Mondrian is also a signatory to the Principles for Responsible Investment.

Issues where we have previously engaged in informal collective action include circumstances where we held serious concerns about the capability or independence of senior management; concerns about specific social or environmental risks; concerns on the price level of a proposed transaction; management remuneration; and circumstances where we felt the management was not acting in the interest of minority shareholders. Collective action has included speaking to the press; attending and speaking at an AGM or EGM; and joining other shareholders to press management for changes to leadership, transaction prices or specific-risk operations.

## Principle 6

### **Institutional investors should have a clear policy on voting and disclosure of voting activity.**

Mondrian has a Proxy Voting Policy and Procedures document which is provided to all clients on an annual basis and which includes a clear procedure with regard to voting. Mondrian's Procedures document may be found at [www.mondrian.com/Proxy-Voting-Policy.pdf](http://www.mondrian.com/Proxy-Voting-Policy.pdf).

Mondrian is typically delegated the authority to vote (and at Mondrian's discretion, if permitted by applicable law, to refrain from voting) proxies for securities held in a client's account. It is Mondrian's policy to make voting decisions in the best interests of its clients, in accordance with its contractual, legal and fiduciary obligations. Mondrian votes proxies on behalf of clients pursuant to its Procedures document. The Procedures ensure a consistent approach to voting as well as ensuring that voting decisions are effected in accordance with its legal and contractual obligations. The aim is not to micro-manage but to ensure that each company is run in the best interests of the shareholders.

Having chosen to invest in a company, as a general policy, Mondrian aims to support the management of the companies in which we invest. However, such support still requires active engagement and when our view, especially on governance, differs with that of the company, or where there is a failure to achieve our reasonable expectations for shareholder return, we will consider promoting change. Under these circumstances, actions are undertaken on a case by case basis. We will normally first ask to discuss issues with executive or non-executive directors, if relevant work with other institutions collectively to press for change, and finally, exercise Mondrian's voting rights against the Board or management. Local practice and governance are taken into account when voting shares or engaging with the management of companies, particularly in less developed markets. If Mondrian decides to abstain or vote against a company, we will typically discuss our reasoning for this action with the company, as our long-term objective is not to create disruption, but rather to promote change and sustainable governance. Should engagement continue to prove unsuccessful in fulfilling the required objectives, Mondrian may choose to divest the shares in the company.

It is Mondrian's responsibility to vote proxies in the best interests of its clients. In order to facilitate the actual process of voting proxies, Mondrian uses ISS to analyse proxy statements. Mondrian considers that ISS's services align directly with the key principles of the Code. ISS provides recommendations for each proxy. ISS's proxy analyses and voting recommendations are based on publicly disclosed standard policies and guidelines which reflect prevailing market best practices, codes and standard of corporate governance. ISS develops and refines these annually through a formal policy formation process.

In the preparation of ISS's voting analyses and recommendations, ISS endeavours to speak directly to a company if any aspect of the company's disclosure is unclear and to ensure that its understanding of the facts is accurate. ISS maintains meeting notes and includes a synopsis of the discussions in its voting report which provides an audit trail.

To help make sure that Mondrian votes client proxies in accordance with the Procedures and in the best interests of clients, it has established a Proxy Voting Committee (the “Committee”) which is responsible for overseeing the proxy voting process. The Committee consists of the following Mondrian personnel (i) two senior investment staff; (ii) Chief Operating Officer; and (iii) Chief Compliance Officer. The Committee will meet as necessary to help Mondrian fulfil its duties to vote proxies for clients. One of the main responsibilities of the Committee is to review and approve the Procedures on a yearly basis.

Mondrian’s investment analysts review all individual proxy voting motions. They will take into consideration the relevant facts and circumstances, the ISS Recommendation, the ISS research, and any conflicts of interest to determine how the proxy should be voted, so that the proxy is voted in the best interests of the client. As Mondrian has adopted the Guidelines, in the vast majority of cases Mondrian will follow the ISS Recommendation.

However, there may be times when Mondrian believes that the best interests of the client will be better served if it votes a proxy counter to the ISS recommended vote on that proxy and, where that situation arises, the matter will be referred to the Committee.

The Committee will generally review the research provided by ISS on the particular issue, and it may also conduct its own research or, if necessary, solicit additional research from another third party on the issue. After gathering this information and possibly discussing the issue with other relevant parties (e.g. the Chief Investment Officer of the relevant product who, as long as there is no conflict of interest, will both know the company well and have aligned interests with their clients), the Committee will use the information gathered to determine how to vote on the issue in a manner which the Committee believes is consistent with Mondrian’s Procedures and in the best interests of the client.

The Procedures reflect Mondrian’s determination of the principles it will apply in voting proxies. They address a wide variety of individual topics including, amongst others, routine business items, election of directors, reorganisations and various shareholder proposals. The Procedures are reviewed at least annually. Mondrian can provide its clients with voting reports on a monthly, quarterly or annual basis as agreed between Mondrian and its clients. Mondrian’s Procedures are audited as part of the Controls Report in accordance with the International Standard on Assurance Engagements 3402 ‘Assurance Reports on Controls at a Service Organization’ issued by the International Auditing and Assurance Standards Board’ (“ISAE 3402”) and the American Institute of Certified Public Accountants’ Attestation Standard AT-C Section 320 ‘Reporting on an Examination of Controls at a Service Organization Relevant to User Entities’ Internal Control Over Financial Reporting’ (“AT-C 320”).

While Mondrian aims to vote all proxies, there are a number of situations in which we may choose not to vote. If the client has set up a securities lending programme and places their stock out on loan, unless we believe that it is in the client’s interest to recall the stock and forgo the lending revenue, we will leave the stock on loan and not vote the proxy. Additionally, in some jurisdictions, in order to vote the shares they must be re-registered, or are otherwise unable to be sold for a period of time, for example in a share-blocking market. In such circumstances, we will evaluate the merits of voting the shares against the foregone liquidity. Despite these caveats, it is our normal policy to vote on our shareholdings, and historically we have called stock back from loan and also voted in “blocked” markets where we believed it was in our clients’ interests.

### Disclosure of Voting Activity

Mondrian does not publicly report on the voting activity undertaken on behalf of clients as such information is client-dependent and confidential. However, Mondrian provides clients who so request, a record of the voting activity undertaken in connection with their individual portfolio on at least an annual basis or more frequently as requested.

## Principle 7

### **Institutional investors should report periodically on their stewardship and voting activities.**

Mondrian will normally meet with clients at least once per year, or at their request. At those meetings we will discuss relevant, material stewardship issues that have arisen over the previous period. Mondrian provides reports of Proxy Voting activity to clients as per their request. This will normally be at least annually and often on a monthly or quarterly basis. A number of clients will specifically request voting records showing when Mondrian has voted against management, highlighting contentious issues that arose. In addition, if requested by a client, we will provide records of our engagement with companies over the course of a year.

Mondrian is registered with the U.K. Financial Conduct Authority as an investment manager and with the U.S. Securities and Exchange Commission as a Registered Investment Adviser and we have in place a Controls Report audited in accordance with the International Standard on Assurance Engagements 3402 ‘Assurance Reports on Controls at a Service Organization’ issued by the International Auditing and Assurance Standards Board’

("ISAE 3402") and the American Institute of Certified Public Accountants' Attestation Standard AT-C Section 320 'Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting' ("AT-C 320") (the "Controls Report"). The Controls Report is carried out on an annual basis; auditing Mondrian's business, including its proxy voting procedures and controls. The Controls Report is provided to clients upon request.

Mondrian provides clients with a copy of the Procedures when entering into a relationship, annually and upon request. The Procedures document is available on Mondrian's website at [www.mondrian.com/Proxy-Voting-Policy.pdf](http://www.mondrian.com/Proxy-Voting-Policy.pdf).

In addition, as PRI signatories, Mondrian is required to publicly report on its stewardship and voting activities on a firm-wide level annually.

We believe that the above disclosures comply with the spirit of the Code.