SHAREHOLDER ENGAGEMENT POLICY

This is Quilter Cheviot's response to the Shareholder Rights Directive (SRD II) requirements regarding shareholder engagement. This should be read in conjunction with our response to the Stewardship Code, our voting principles, our engagement policy, as well as our overarching approach to responsible investment.

Firms to develop and publicly disclose a policy on shareholder engagement or explain why they have chosen not to do so.

For more information, please refer to our Stewardship Code response which provides additional detail and outlines our approach to responsible investment. Quilter Cheviot has a team of over 20 analysts who work alongside the responsible investment team.

The shareholder engagement policy must include information on how the asset manager:

- **integrates shareholder engagement in their investment strategy;**
- **monitors the investee company on relevant matters, including strategy, financial and non-financial performance and risk;**
- **evaluates the capital structure, social and environmental impact and corporate governance;**
- **conducts dialogues or engages with investee companies;**
- **exercises voting rights and other rights attached to shares;**
- **cooperates with other shareholders;**
- **communicates with relevant stakeholders of the investee companies; and manages conflicts of interests.**

On an annual basis, the asset manager must publicly disclose how their engagement policy has been implemented, including:

- **a general description of voting behaviour;**
- **an explanation of the most significant votes and the use of the services of proxy advisors;**
- **disclose how they have cast votes in the general meetings of companies in which they hold shares;**
- **where an asset manager does not in a given year publicly disclose how its engagement policy has been implemented, it must publicly disclose a clear and reasoned explanation for its failure to do so.**

We disclose our voting and engagement on a quarterly basis. From June 2020, we disclose all the votes within our voting universe cast on behalf of discretionary clients. We have classified all votes that are enacted within our voting universe to be significant. We do not disclose client-instructed voting publically.

The shareholder engagement policy and information on how it has been implemented must be available free of charge on the asset manager's website and must be updated annually.

We disclose this information on our website and it is updated quarterly: https://www.quiltercheviot.com/our-services/responsible-investment/stewardship/?Role=pc

Where an asset manager invests on behalf of an institutional investor, whether on a discretionary basis or through an investment fund, asset managers must disclose on an annual basis, to institutional investors with which they have entered into arrangements, information on:

- **how the investment strategy and its implementation complies with arrangements with the institutional investor;**
- **how it contributes to the medium to long-term performance of the assets of the institutional investor of the fund;**
- **the key material medium to long-term risks associated with investments made;**
- **portfolio composition, turnover and turnover costs;**
- **the use of proxy advisors for the purposes of engagement activities;**
- **securities lending policy and its impact on engagement with investee companies;**
- **whether investment decisions are made on the basis of evaluation of the medium to long-term performance of the investee company;**
- **whether conflicts of interest have arisen, the nature of those conflicts and the manner of dealing with them.**

Where we act on behalf of an institutional investor, our reporting includes all of the above information.

Sustainability risks

We consider sustainability risks as defined below when assessing investments. We refer to this as ESG integration and this is an ongoing process across all asset classes that we invest in.

An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.