

Voting Policy

Although Amati is a relatively small fund manager, we will generally vote at all investee company meetings. As a matter of principle we would do so, particularly where: (1) we hold a significant position in the company; (2) shareholder resolutions have been proposed by shareholders; (3) we become aware of a contentious issue arising (whether from the company itself, its Proxy Advisers or other sources such as the press or our own internal review); and (4) ongoing issues identified by us over the company's financial year or at the company's last AGM. Proxy voting services are only used to process voting instructions and no advice is taken, although we may engage with the company and other shareholders in considering any resolutions. Issues we are particularly conscious of are those surrounding board structures, the concentration of share ownership, as well as option schemes, Long-term Incentive Plans and other forms of remuneration.

Broadly there are three methods of engagement in relation to voting. The first is direct engagement with investee companies before general meetings to try to modify or remove specific resolutions which we do not think are in the best interests of our clients – this is by far the most preferable course of action and where we have leverage and influence, we will use it assertively. We may, as part of this engagement process, inform companies in advance if we intend to vote against a board recommendation, and if we have not sold the holding, we will continue to engage with the company. However, before that stage is reached, we would do everything possible to persuade the company not to put forward resolutions at general meetings that would potentially be voted down, believing that it is far better for all parties for differences to be resolved before a confrontation develops and reputational damage is incurred by the company, to the detriment of all stakeholders. The second is to use our voting rights to reject resolutions or, if those rights are not large enough to achieve that outcome, then at the very least to register our dissatisfaction with the proposals set out in the resolution. We vote on every resolution in every meeting, but in reality it is quite rare that we feel compelled to vote against a resolution on a matter of substance, as we have already conducted extensive due diligence on investee companies before investing. In circumstances where a company has not engaged with us or where we feel that it would not be in the best interests of the company or other shareholders to vote against a resolution, we may abstain. This means that unless something dramatically changes in terms of governance or remuneration structures at the company in question since the date of our initial investment, there is normally no need to vote against or abstain on resolutions. Finally, we have the ultimate sanction of disinvestment, which we do not hesitate to use if we have failed to achieve a satisfactory outcome for our clients.

Issues that we seek to influence by the strategic use of our voting rights include the following:

1. Management appointments
2. Adviser appointments
3. Acquisition / disposal strategy
4. Responsible governance

5. Board diversity and inclusion
6. Environmental and social factors
7. Inappropriate management incentive and remuneration packages

Political donations

Many companies seeking formal approval for political donations, with no intention of making direct political donations, such that they are doing so merely to protect themselves from inadvertently breaching the Companies Act. This can arise when companies engage with stakeholders regarding concerns and issues that are broadly political and which potentially affect a company's operations, albeit that these interactions are not intended to support a certain political party or influence support for any political party. In response to this, and in line with guidance from the Chartered Governance Institute, our policy is to allow for a more nuanced approach, whereby in cases where it is clear that seeking the ability to make political donations is a protective measure only, and that no donations have been or are intended to be made, then in principle we are willing to support (or abstain from) that specific resolution. We do however monitor outcomes across the year and will consider whether any political donations have been made by a company in its previous financial year when considering a resolution of this nature at its next AGM.

As we do not have segregated accounts, we have a clear and consistent policy across all our funds.

Securities Lending

We do not lend stock, believing that such a policy would be of only marginal benefit to our clients and would be outweighed by the loss of voting rights and the consequent inability to always act in the interests of our clients.

Amati's full voting record is available at <https://www.amatiglobal.com/page/voting-records>.