Genesis
Proxy Voting Guidelines

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Proxy Voting Guidelines

1. General

In all voting decisions, our objective is to protect and enhance long-term shareholder value. Proxy voting decisions are based on our set of corporate governance principles[1] and in the best interests of clients but we are mindful of the varied market practices across emerging market countries and we recognise that more than one governance model may be effective. Thus we take a pragmatic approach considering the circumstances of each vote and each company.

We view proxy voting as an investment function and in evaluating a proposal, our Investment Team draw on a variety of resources including their many years of experience as investment analysts. We are long-term investors and our detailed knowledge and internal assessment of a company's business, performance and management is supplemented by the results of our ongoing engagement efforts, company disclosures and external research. We provide feedback to boards and management on significant voting matters where appropriate and this in turn informs our ongoing investment analysis and company engagements.

Scope

For those clients who have given us authority to vote their shares, we aim to vote all of their shares in all markets. In our experience, there are a small number of meetings (<10%) where votes may not be instructed due to administrative or market-based issues such as receiving ballots past the cut-off dates or satisfying specific documents requests. If such impediments to voting are company related, we will raise our concerns with the board.

Service Provider

Genesis has contracted with Institutional Shareholder Services, Inc. (ISS), an independent third-party provider of proxy voting and corporate governance services. Specifically, ISS has been retained to provide proxy research and recommendations, execute votes as instructed by Genesis and keep various records necessary for tracking proxy voting materials and proxy voting actions taken for our clients' accounts. ISS services, performance and potential conflicts of interest are reviewed on a periodic basis.

ISS recommendations are one form of external research which is factored into the decision-making process by our Investment Team. We analyse each voting issue independently and do not necessarily vote in line with company management or the ISS recommendations.

Engagement

In evaluating specific voting issues, members of the Investment Team may engage directly with company management and directors and may also contact interest groups, other shareholders and research providers.

Feedback

Where appropriate, in connection with material voting issues and in particular where we vote against management, we will contact the company to explain our decision-making process and promote best practice.

1 See Genesis Corporate Governance Framework – Core Principles

Disclosure of Voting Records
For our clients, we provide detailed quarterly reports of all proxy voting matters. In addition, our voting record for the last five years is available on our website.

Abstentions
There are occasions on which we may abstain from voting or withhold our vote. Typically this is when there is insufficient information available to make an informed decision or when the stock owner determines this is the appropriate action for our clients' long-term interests. On these occasions, we aim to communicate to the company the particular reason the proposal was not supported.

Conflicts of Interest
Genesis' sole business is to provide investment management services. We are structured to vote independently and minimise conflicts of interest. Nevertheless, should a conflict or potential conflict of interest with respect to a voting matter arise, it is our policy[2] to advise the client of the conflict and obtain their consent or an instruction to vote.

Securities Lending
Subject to the provisions of individual mandates, securities lending is undertaken. Where securities are on loan ahead of a general meeting or corporate action and Genesis has proxy voting responsibility, it is our policy to request that such securities be recalled to enable us to vote the shares.

Annual Review of Guidelines
These proxy voting guidelines will be reviewed and updated (if required) at least annually.

2. Proxy Voting Guidelines

Our proxy voting guidelines are based on a core set of corporate governance principles and we assess each proxy proposal in light of these principles and the particular circumstances of the company.

Our proxy voting guidelines pertaining to specific issues are set forth below. We generally vote proposals in accordance with these guidelines but, consistent with our principles-based approach to proxy voting, we may deviate from the guidelines if warranted by the specific facts and circumstances of the situation.

These guidelines are not intended to address all issues that may appear on proxy ballots. Proposals not specifically addressed by these guidelines, whether submitted by management or shareholders, will be evaluated on a **case-by-case** basis, bearing in mind our duty to make voting decisions in our clients' best interests.

[2] See Genesis Conflicts of Interest Policy

A. Board and Director Proposals

Elections

We generally vote **For** the election of directors proposed by management. However, in doing so, we take into account a variety of factors including:

- Company and board performance
- Skill and experience
- External responsibilities and other commitments (e.g. the number of other boards on which a director sits and length of service at such positions)
- Attendance at board meetings
- Action with respect to key issues (e.g. a director's support of we believe to be a poor governance practice)
- Ownership of company stock (not a pre-requisite but indicative of alignment of interest with shareholders)

We may **Abstain** or vote **Against** where there is insufficient information disclosed about the board nominees as determined by the stock owner and in light of the company's history in such matters.

Majority of Independent Directors

We will vote **For** proposals to require a majority of independent directors on the board and vote **For** proposals requiring a majority of independent directors on the audit, nominating, and compensation committees.

Independence will be determined on a **case-by-case** basis as we believe it is more important to consider the contribution, judgement and character of the director rather than rely on any formulaic criteria.

Chairman

While generally in favour of separating the Chairman and CEO roles, we will review this issue on a **case-by-case** basis taking into consideration the wider background of the company's corporate governance history, size and performance.

Shareholder Nominations for Director

We will vote **For** proposals to enable shareholders to nominate directors provided the shareholders or group of shareholders have a meaningful stake in the company.

Diversity of Directors

We believe that a diverse board of directors are likely to do a better job creating long-term value for shareholders than boards without diversity. We will vote **For** proposals to promote greater board diversity provided these are reasonable and diversity is interpreted broadly (e.g. including, but not limited to, professional experience, age, gender and race).

Term of Office

As a director's performance and qualifications are the primary factors to be considered, we will generally vote **Against** proposals to force a director's retirement at a certain age or limit the tenure of directors to a set number of years.

Right to Remove Directors Without Cause
We will vote **For** proposals granting shareholders the right to remove directors without cause and **Against** proposals that provide directors may be removed only with cause.

Board Vacancies
We will vote **Against** proposals that provide only remaining directors may elect directors to fill board vacancies, and **For** proposals that permit shareholders to elect directors to fill board vacancies.

Director Compensation
We expect that directors will have compensation plans that are fully disclosed, in line with market practice, subject to shareholder vote and separate from executive compensation plans. We will vote **Against** director compensation packages if the amounts and details are not reasonable and adequately disclosed. We will generally vote **Against** director compensation packages which include retirement benefits or severance pay (for services as a director).

Indemnification and Liability for Directors and Officers
In general we will support indemnification standards in accordance with local laws and vote **For** indemnification proposals for directors and officers with respect to acts conducted in the best interests of the company provided that a good faith standard was satisfied.

Discharge of Board or Management
Certain countries require that shareholders discharge the board or management for actions taken in the previous year. In most cases, discharge is a routine item and does not preclude future shareholder action in the event that wrongdoing is discovered. However, in order not to limit shareholder actions in the future, we will vote on all discharge items on a **case-by-case** basis.

Retirement Bonuses for Directors
In general we will vote **Against** proposals for retirement bonuses for directors; however in those jurisdictions where this is normal practice, we will review on a **case-by-case** basis.

Cumulative Voting for Board Nominations
With cumulative voting, the total number of votes each shareholder may cast is determined by multiplying the number of shares owned by the number of board slots up for election. Shareowners may cast all their votes for one nominee, for a combination of nominees or may spread their votes across the entire board. Cumulative voting has the greatest impact in contested elections. In general, we will vote **For** proposals to adopt cumulative voting.

Classified Board
A classified, or staggered, board is one in which directors are divided into 'classes' and each class of directors serve different term lengths (typically three-year terms). To support greater accountability, we prefer the annual election of all directors and we expect that all directors be subject to re-election by shareholders at least every three years. Therefore, we will generally vote **Against** a proposal to classify the board.

Controlled Companies
In certain companies, the majority of the voting power is held by an individual, group or another company and we generally will not oppose the elections of directors simply because the board does not include a majority of independent members. We will, however, consider these directors in a negative light if the company has a history of violating the rights of minority shareholders.

Conflicts of Interest
All non-executive directors should be free from material conflicts of interest. All conflicts and potential conflicts of interest should be declared and disclosed prior to appointment and at each board meeting in relation to a specific agenda item.

B. Auditor Proposals

Auditors
The board is responsible for appointing the company's external auditor and we expect that shareholders should have the right to vote annually to ratify such appointment. We would expect that the role of the external auditor be put out to tender on a periodic basis. Genesis will vote **For** proposals to appoint external auditors unless there are concerns with respect to the auditing firm's performance or independence.

On a **case-by-case** basis, we will examine proposals relating to non-audit relationships and non-audit fees paid to the company's auditors and we expect that such fees would be disclosed in the reports and accounts. We will generally vote **For** proposals to put out to tender the auditor role on a periodic basis.

Indemnification and Liability of Auditors
We will generally vote **Against** proposals to indemnify, approve or ratify alternative dispute resolutions or otherwise limit the liability of auditors.

Accounts
We will vote **For** the approval of financial statements (including directors' and auditor's reports) unless there are concerns as to how the accounts are presented or audit procedures involved or the company is not responsive to questions regarding specific items which should be disclosed.

C. Capital Management

Increase in Authorised Share Capital
We assess requests to increase the shares in issue (including warrants and convertible bonds) in light of a company's previous issuances of capital and its corporate governance profile. We would expect companies seeking such authority from shareholders to set out clearly the anticipated use of the additional shares and how this is in the interests of existing shareholders. We will vote **Against** proposals for an unlimited share issuance.

Changes to Capital Structure
We will review on a **case-by-case** basis proposals to increase authorised shares and the purpose for the increase.

Dual Classes of Shares
We believe in one share, one vote. We will vote **Against** proposals to create or continue dual-class voting plans or the creation of new or additional super-voting shares.

Preferred Stock
We will generally vote **For** a proposal to issue preferred stock (without voting or conversion rights) up to 50% of issued capital unless the terms of the preferred stock would adversely affect the rights of existing shareholders. We will vote **Against** a proposal to create or continue the issuance of blank check preferred stock (the terms of which may be fixed by the board of directors without shareholder approval).

Share Repurchase
Subject to local and/or listing requirements, we will vote **For** proposals for a company to repurchase its shares provided the proposal is part of a properly explained capital strategy and is limited in scope of up to 10% of the company's issued share capital and limited in time (≤ 15 months). Other share repurchase proposals will be assessed on a **case-by-case** basis.

Reissue of Repurchased Shares
We will consider proposals to support a share reissuance mandate on a **case-by-case** basis with particular attention to whether the shares are reissued at a discount.

Stock Splits and Reverse Stock Splits
We will consider a proposal to support a stock split or a reverse stock split on a **case-by-case** basis dependent on whether such action serves a legitimate corporate purpose.

Pre-emptive Rights
We will vote **For** proposals to issue additional shares with pre-emptive rights if the potential aggregate dilution is 50% or less or if the company provides a sound business reason for the issuance.

We are generally not supportive of proposals to eliminate pre-emptive rights but exceptions can be made, such as to facilitate an acquisition. We will evaluate all specific share issuance requests on a **case-by-case** basis.

We will typically vote **For** the issuance of shares without pre-emptive rights up to a maximum of 20% of the currently issued capital (or lower where that is market practice) and when applicable, with a discount rate of a maximum of 15% of market price. We would expect the company to provide a detailed plan of use and for such mandate be limited to one year.

Private share placements
We will consider proposals for private and targeted share placements on a **case-by-case** basis.

D. Anti-takeover Measures

Anti-takeover measures
We believe that shareholders should have the right to determine the merits of any takeover offer. We will vote **For** proposals that seek to require the company to submit a shareholder rights plan or poison pill to a shareholder vote. In general, we will vote **Against** the introduction or renewal of anti-takeover mechanisms (including staggered boards, poison pills, super-voting shares and greenmail) that are intended to limit shareholder value by reducing the takeover or control premium of a company.

Fair price proposals
We will vote **For** fair price proposals which require a bidder to pay the same price for all of a company's shares purchased.

Greenmail
Greenmail payments are targeted share repurchases by management of company stock from individuals or groups seeking control of the company. We vote **For** proposals to adopt anti-greenmail charter or bylaw amendments or otherwise restrict a company's ability to make greenmail payments.

E. Mergers and Acquisitions

Mergers and Acquisitions
In considering proposals for mergers and acquisitions on a **case-by-case** basis, we will analyse the broad economic and strategic factors of the transaction taking into consideration the long-term consequences on shareholders, employees, suppliers, local communities and other stakeholders.

F. Compensation Proposals

Executive Compensation
Executive compensation should be sufficient to attract, incentivise and retain the directors needed to manage the company successfully. Executive compensation should be aligned with the shareholders' long-term interests and structured to link rewards to corporate and individual performance. We would expect a significant portion of executive compensation to be long-term, variable and geared to the delivery of clear performance targets over a multi-year period. We prefer simple compensation structures and will take into account the adequacy of the disclosure provided to shareholders.

We will vote **Against** compensation packages with large cash payments through salary or bonus. We will vote **Against** compensation packages if share price is a significant measure of performance.

All equity compensation plans should be approved by shareholders and we will vote **Against** equity compensation plans which have the potential to be excessively dilutive. We expect no more than 10% of a company's equity to be used for all share schemes over a ten-year period and in reviewing equity compensation plans on a **case-by-case** basis, we will consider among other things, the overall dilution, annual grant/run rate, the expiry date of the plan and number of employees in the plan.

Equity compensation or other forms of deferred pay should be held for at least three years before they can be sold or exercised (although this may not apply to equity compensation that vests according to performance criteria).

For equity-based incentive schemes, we will generally vote **Against** proposals which permit changes in performance conditions without shareholder approval.

Stock option plans will be reviewed on a **case-by-case** basis factoring in: total cost of plan, dilutive impact, the restrictions on sales over a multi-year period, exercise price, employees in the plan and how demanding is the performance criteria. We will generally vote **Against** stock option schemes that offer options at a discount to market price. We will generally vote **Against** proposals to reprice stock options or replace options which fail to vest.

We will vote **Against** proposals which have any form of automatic share replenishment/evergreen feature.

Severance compensation arrangements for senior executives will be reviewed on a **case-by-case** basis and we will oppose ‘golden parachute’ payments that are, in our view, excessive.

G. General Corporate Governance Matters

Amendments to Articles of Association

Proposals to amend a company’s articles of association are usually triggered by changes in the company’s legal, regulatory or listing environment. Often these changes are technical and administrative in nature; however, as even minor changes may have a significant impact, we will review these proposals on a **case-by-case** basis.

Bundled Proposals

Shareholders should have the right to vote on material issues one issue at a time. Separate issues should not be bundled into a single proposal so as to provide for only one vote on more than one issue. Where several measures are grouped together, we would expect to vote **Against** the overall proposal unless we believe the issues are minor and do not impact the rights or interests of shareholders.

Other Business

We will generally vote **Against** the approval of unspecified ‘other business’.

H. Miscellaneous

Related-party Transactions

Boards should have appropriate procedures in place to identify and monitor transactions with related parties such as their shareholders, directors, and management. If related-party transactions are entered into, these should be conducted on an arm’s length basis, approved by the non-interested directors and/or shareholders, and further governed by relevant corporate law or listing requirements. We will vote **For** proposals that material related-party transactions should be subject to approval or ratification by shareholders.

We will assess a related-party transaction on a **case-by-case** basis and expect related-party transactions to be fully disclosed and justified and also to be subject to proper oversight by the board and regular review.

Tax Management

We will consider proposals to reincorporate a company in another country on a **case-by-case** basis. Relevant factors include the comparison of the local law on shareholder rights, tax consequences to shareholders and financial or business benefits of such a move.

Political Contributions

We will generally vote **Against** the use of corporate assets for political donations and vote **For** proposals to require full disclosure of any monetary and non-monetary contributions intended to influence public policy.

Charitable Contributions
We will generally vote **Against** proposals for charitable contributions unless there is appropriate disclosure on the amount and rationales for using corporate assets to create goodwill.

Shareholder Proposals
Shareholder proposals (which are not common in emerging markets) may cover a wide range of issues but are not always in the best interests of all shareholders. Therefore we will consider on a on a **case-by-case** basis.

Social and Corporate Policy Issues:
Underscoring the significance of ESG factors to our understanding of the business risks and opportunities which face the companies in which we invest, we will vote **For** proposals for a company to adhere to international disclosure standards or industry best practices (whichever is higher). Furthermore, we will generally vote **For** proposals calling for a sustainability report taking into account the entirety of information made available by the company on sustainability and whether having a dedicated report would be constructive.

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