

## **Compliance with the UK Stewardship Code**

Dundas Partners LLP (DP LLP) complies with and supports the Financial Reporting Council's UK Stewardship Code which was published in July 2010 and updated in September 2012.

The seven principles of the UK Stewardship Code are:

### **Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.**

- DP LLP aims to maintain a relationship with the board of investee companies.
- If DP LLP believes that any company carries a high stewardship risk in the stock selection process carried out by our investment analysts then we look at each on a case by case basis involving DP LLP's Managing Partners.

### **Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.**

- DP LLP aims to identify potential conflicts of interest and will manage these in a manner which will not compromise our clients' interests.
- As required by the Financial Conduct Authority (FCA), DP LLP Investments has in place a process for the management of conflicts of interest. This process is designed to ensure that conflicts between the interests of the Company and its clients are managed appropriately. It is reviewed and approved annually by our Board and is made available to our clients, on request.

### **Principle 3: Institutional investors should monitor their investee companies.**

- Investee companies will be monitored regularly to determine when it is necessary to enter into an active dialogue with their boards.
- DP LLP will maintain a clear audit trail, for example, recording all dialogue and meetings with companies of private meetings.

### **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.**

- DP LLP will strive to build relationships with companies' board and management.
- DP LLP will implement its stewardship duties if there is good reason to protect our clients' long term interests. Discussions will be confidential but DP LLP will escalate action if seen fit.

### **Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.**

- DP LLP maintains good relationships with other institutional investors.

**Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.**

- DP LLP aim to vote our clients' shares in their best interests but would vote our clients' shares against resolutions which are not consistent with their best interests.

**Principle 7: Institutional investors should report periodically on their stewardship and voting activities.**

- DP LLP are accountable to our clients and advisers on our stewardship and voting activities and will provide quarterly reports on engagement and voting activities to institutional clients unless such disclosure to our clients would not be in their best interests.
- DP LLP will seek to vote all shares held at all meetings.
- Voting by proxy will be in line with research and agreed guidelines. The interests of clients will be protected where appropriate.
- DP LLP will disclose voting records for all shares held unless DP LLP do not believe it will be in their interest, the investee company's interest or investors' interest to do so. If an investment manager wishes to vote contrary to guidelines then the conflict of interest will be referred to the Compliance Officer for consideration. DP LLP's proxy voting policy will be reviewed by the Compliance Officer on an annual basis.