Rathbone Bros PLC Stewardship Policy

Introduction

The concept of Stewardship means taking a client first, active approach to the ownership of securities. Implementing effective stewardship is integral to our investment process as a means of protecting and enhancing value for clients.

The voluntary Stewardship Code describes the concept as follows:

“Stewardship aims to promote the long term success of companies in such a way that the ultimate providers of capital also prosper. Effective stewardship benefits companies, investors and the economy as a whole.”

Our Core Stewardship Principles

We have developed a core set of guiding principles which apply to our Stewardship and governance related activities:

1. Materiality
   Principle: We recognise that governance and stewardship risks can be material to the performance and valuation of companies.

   This is consistent with our stance as a signatory to the UN Principles for Responsible Investment. Poor management of governance related risks can lead to a divergence between the best interests of company management, shareholders and other stakeholders.

2. Active Voting
   Principle: We actively consider proxy votes for client holdings.

   We seek to be good, long-term stewards of the investments which we manage on behalf of our clients. Our major responsibility in this regard is to ensure that company boards provide appropriate and independent oversight of management and company activities. We source independent advice with regard to voting at company meetings and maintain a bespoke voting policy which builds on established best practice. We apply our resource where it makes the most difference to the greatest number of clients. Our approach targets the largest holdings by value or where our clients in aggregate have a significant stake in the security.

3. Engagement
   Principle: Active engagement with companies on governance issues is an important adjunct to voting activities.

   We actively monitor and engage with the companies in which we invest. This dialogue includes the principles of Stewardship. Areas where we will intervene include, but are not limited to, situations
where we have concerns about a given company’s strategy, performance, governance, remuneration or approach to governance risks.

Engagement can take a number of forms, including (but not limited to):
- Regular and ad hoc face-to-face meetings with management
- Teleconferences with senior management
- Formal written correspondence
- Informal written correspondence
- AGM and EGM questions, voting and resolutions.

4. Transparency
Principle: We report annually on our Stewardship activities.
We are committed to reporting on our governance and stewardship activities. We make public a detailed annual Stewardship and engagement update. This review includes a consideration of voting metrics for the past year detailing the following:
- A presentation of the volume of votes cast against management as a proportion of all votes cast;
- An analysis of the categories of issues where we cast our votes against management in the past year
- An analysis of the votes abstained in the year

How we integrate Stewardship into our processes

In keeping with our status as signatories of the UN Principles for Responsible Investment, we integrate the assessment of non-financial risks into the investment process by way of the following:

- **Stewardship Policy** is published in our central research database where it can be viewed by all investment professionals.

- A stewardship committee exists to oversee, implement and evolve our approach to stewardship. This committee also appoints an independent consultancy and reviews the advice and recommendations applying our bespoke voting policy in practice.

- The terms of reference for all investment committees make explicit reference to the principles outlined in the stewardship policy and the practical application of these principles that pertain to the specific activities of those committees and their recommendations.

- Training on our stewardship policy and its practical application is provided to all investment professionals including those who are members of the investment committees.

- MSCI weighted governance metrics are shown next to specific recommendations within our equity recommended lists and are disclosed on individual security factsheets.

- Voting Reports by external consultant are uploaded and stored within our central research database for review by committee members and all investment managers.
• Where votes against management occur, voting alerts are published within our research database which give detail on the rationale.

• Engagement with companies is undertaken by members of the stewardship and investment committees and the following content is logged and a database of current and past engagements is maintained to reflect:
  o The attendees at the meeting, from all sides.
  o Issues discussed
  o Follow up actions agreed

Conflicts of Interest
Issues may arise from the fact that Rathbone Bros PLC is itself a listed company and subject to the principles of the UK Corporate Governance Code. The direction of our voting and engagement activities may, on occasion not be consistent with the corporate governance arrangements of Rathbone Brothers PLC. The internal corporate governance of Rathbone Brothers PLC is outside of the remit of this policy and the Stewardship Committee.

Approval & Review
This policy was reviewed and approved by the Board in May 2017.

The policy will be reviewed and updated annually from first publication.