

Voting Philosophy

This document describes how Guinness Global Investors votes shares in companies held in our funds.

Our voting philosophy reflects our corporate values, our long-term perspective, and our focus on sustainable returns. All voting is undertaken by the Investment Team, with oversight of quarterly voting outcomes provided by our Responsible Investment Committee. Proxy voting and the consideration of corporate governance issues are important elements of investment management. This Voting Policy is designed to support our portfolio managers in making decisions that maximize a company's shareholder value. We value our independence and believe it enhances our ability to act as effective stewards of investors' capital. That independence manifests itself in several ways. Specifically, with respect to voting activity, we are free to vote and engage with companies without encumbrance by external interests.

Policies & Procedures

Proxy Voting

At Guinness Global Investors, we manage the voting rights of the shares entrusted to us. Portfolio Managers are responsible for voting for the companies held within their respective Funds. Proxy votes are cast in a prudent and diligent manner, based on the Managers' judgment of what is in the best interests of clients. The Responsible Investment Committee (RIC), which is a committee consisting of investment team members of GGI is designated as GGIs policy-making body with respect to voting. Records of our voting activities are maintained and reviewed on a quarterly basis by the RIC.

To assist in filing proxies, GGI retains proxy voting advisory services. While we take note of proxy research and recommendations, we are under no obligation to follow them; our Portfolio Managers vote according to our own views and research insights.

The portfolio manager shall determine, on a case-by-case basis, the need to contact an issuer or other security holders to gather additional information with respect to a proposal. To the extent called for by any agreements with its clients or by its fiduciary duties, GGI will communicate with the client prior to making its determination as to the voting of a proxy.

In order to vote, some markets require shares to be temporarily immobilised from trading until after the shareholder meeting has taken place. Some other markets require a local representative to be hired, under a Power-of-Attorney, to attend the meeting and vote on our behalf. In such instances, it may sometimes be in clients' best interests to refrain from voting. But in all other circumstances we endeavour to exercise our voting responsibilities on clients' behalf.

We note regional variations in corporate governance norms, company law, and listing requirements along with different expectations of firms depending on their size and maturity. Diligent voting must take these differences into account and can require consideration on a case-by-case basis. In this document, we provide guidance, rather than rules, relating to what we take into consideration whilst exercising our votes.

Stewardship and engagement

Guinness Global Investors' Stewardship Policy and Responsible Investment Policy are both available on our website: <https://www.guinnessgi.com/literature>

As a firm, GGI does not usually divest from investee companies or screen out companies from our investment universes based solely on poor Environmental, Social, and Governance (ESG) scores. Our preferred approach is to engage with company management and try to invigorate change. Where necessary, this includes exercising our voting rights to signal, support, or sanction certain behaviours.

This document addresses on a topic-by-topic basis our policy applied to the most common voting areas. The topics are:

1. Disclosure
2. Dividends
3. Auditors
4. Board Composition
5. Remuneration
6. Capital Management
7. Shareholder Rights
8. Mergers, Acquisitions and Related Party Transactions
9. Anti-Takeover Provisions
10. Shareholder Resolutions

Disclosure

Annual report

Financial disclosures should be detailed, transparent and understandable. They are vital for ensuring investors have relevant, fair, and current information on a company's financial position, profitability, and sustainability. They should meet accepted reporting standards, such as those prescribed by the International Accounting Standards Board (IASB). Usually, proposals regarding annual reports are limited to acknowledgment of receipt, and we will usually approve provided there are no concerns about the integrity of the financial statements. Where we hold concerns that disclosures are inaccurate, insufficient, or incomplete, we may vote against the report and accounts.

Climate and financial disclosures

GGI expects its portfolio companies, especially those that operate in carbon- or energy-intensive sectors, to measure and report relevant climate related information. Where this reporting is found to be insufficient, we may vote against the report and accounts.

Voting results

We expect companies to disclose publicly the results of AGM in a timely manner. Where companies do not disclose their voting results, we may choose the vote against the report and accounts.

Not all regions have a vote on reports and accounts. If we are unable to vote against the report and accounts, we may choose to vote against the Chair of the board, the Chair of the Audit Committee, or re-election of the auditor.

Dividends

Practice differs by jurisdiction as to whether companies are required to submit dividend resolutions for approval at shareholder meetings, or whether dividends can be declared by board resolution alone. Where required, we may vote against such proposals if we deem the payout ratio to be too low, particularly if cash is being accumulated with little strategic intent. Conversely, if we consider a proposed dividend to be too high in relation to a company's underlying earnings capability, we may also vote against the resolution.

Auditors

Auditors should provide an independent and objective check on the way in which the financial statements have been prepared and presented. GGI may vote against the appointment or re-appointment of auditors who are not perceived as independent, or where there has been a clear audit failure.

To safeguard independence, we believe companies should rotate their designated auditor over time. We also expect companies to disclose auditor remuneration and distinguish between audit and non-audit fees. Non-audit fees paid to the company's statutory audit firm should not exceed good local market practice. If there is a lack of explanation over the nature or size of non-audit services, we may oppose the re-appointment of the auditor.

Board composition

Independence

The number of independent directors on a board should be sufficient so that their views carry weight in the board's decision-making processes and the views of minority shareholders are sufficiently represented. The required number of independent directors and the definition of independence often varies by jurisdiction.

An independent director is one who has no significant personal, financial, familial, or other ties with the company which might pose a conflict of interest. We would expect a company to disclose relevant information which might impact a director's independence such as length of tenure, alongside historic professional or familial involvement with the firm. Where we believe there to be an insufficient level of independence on a board, we may choose to reflect this through our vote for the Chair of the Nomination committee, the Chair of the board, or the non-independent directors unless an acceptable explanation is provided.

Detailed information should be disclosed for new director appointments including independence, existing time commitments (full time roles, directorships, etc.), prior experience, and new skills/knowledge that they bring to the board.

Chair

As a general rule, we believe that a separate Chair and CEO ensures a clear division of responsibilities at the head of a company, such that no one individual has unfettered powers of decision-making. In instances where the two roles are combined, we prefer to see a designated Lead Independent Director or Senior Independent Director to provide oversight over executive decisions.

Diversity

A strong and effective board should comprise of competent individuals with the necessary skills, background, and experience to provide objective oversight of management. The board's composition should take diversity into account in the broadest sense of the word (gender, age, experience, ethnicity, etc.). We believe that diversity of thought contributes towards long term value creation via nurturing more innovative cultures, enabling constructive criticism of management, and reducing the risk of group think. Although we do not endorse quotas, we encourage boards to have a strategy to promote diversity of thought. Where we deem a board to have insufficient diversity of thought, we may choose to reflect this through our vote for the Chair of the Nomination committee or Chair of the board.

Board committees

To strengthen the governance process, boards often delegate key oversight functions, such as responsibility for Audit, Nomination and Remuneration issues, to separate committees. Members of all committees should be identified in the annual report.

Expectations of independent representation on Audit, Remuneration, and Nomination Committees differ across markets. We expect companies to follow local market best practice with respect to committee independence.

Boards of banks, insurance companies, and other large or complex companies, should consider establishing a Risk Committee to provide independent oversight and advice to the board on the risk management strategy of the company.

Multiple directorships

To carry out their responsibilities effectively, non-executive directors must be able to commit an appropriate amount of time to board matters. We may vote against the election or re-election of directors we believe are over-boarded. This is done on a case-by-case basis based on the nature of directorships held.

Meeting attendance

We will consider voting against director re-election proposals for individuals with poor attendance records unless valid reasons for absence are disclosed.

Remuneration

Policy

The purpose of remuneration is to attract, retain and reward competent executives who can drive the long-term growth of the company. Ensuring that executive remuneration is appropriate is therefore of particular importance for shareholders. Ideally a company's remuneration policy should be periodically presented to shareholders as a separate voting item with an annual 'say on pay'. We note however, that this is not an established norm in all markets. Any changes made to the remuneration policy should be fully explained by the remuneration committee.

Executive directors

Executive remuneration should fully align the executive with the long-term interests of shareholders, where superior awards can only be achieved by achieving superior performance against well-defined metrics.

We generally prefer any variable compensation arrangement to have both a short-term and long-term component. Policies which seek to promote long term share ownership among senior executives will generally be viewed favourably e.g., share ownership guidelines or bonuses including deferred shares.

Remuneration should discourage excessive risk taking and due consideration should be given to arrangements, such as claw-backs, to avoid payment for failure / underperformance. We also believe that executive directors should be encouraged to make a meaningful and long-term investment in company stock to align their financial interests with those of shareholders.

GGI will usually vote in favour of well-structured compensation schemes with clear, specific, and challenging performance criteria, which are fully disclosed to shareholders. Performance metrics should incentivise financial, operational, and sustainable value creation. Remuneration structures which incentivise long term improvements in return on capital will generally be viewed favourably.

Remuneration practices involving high quantum, retention payments, or questionable discretion will be scrutinised closely. We will usually vote against remuneration awards which we deem to be excessive, or where we perceive the remuneration committee to have departed from the remuneration policy without a sufficient explanation. We expect remuneration committees to explain why performance criteria are considered to be challenging, and how they align the executive's interests with those of shareholders.

Non-executive directors

Non-executive directors should receive sufficient remuneration to attract and retain suitably qualified individuals and encourage them to undertake their role diligently. GGI believes that non-executive directors should be encouraged to make a meaningful and long-term investment in company stock to align their interests with those of shareholders. They should not receive retrospective ex-gratia payments at the termination of their service on the board.

Capital management

Equity issuance

We will generally vote in favour of equity issuances if we believe they enhance a company's long-term prospects and are not excessively dilutive. GGI also believes in pre-emption rights of ownership, in that any new issue of equity should first be offered to existing shareholders before being made available more broadly.

In many jurisdictions, companies ask shareholders for authority to issue new equity up to a certain percentage of issued capital, and up to a maximum discount to market prices (so-called "general mandate"). As shareholders, we recognise the flexibility the general mandate gives companies, and we wish to be supportive of such proposals. However, we also recognise that these mandates can be open to abuse. We tend to vote against requests for excessively dilutive issuance, unless a strong explanation has been provided justifying such terms.

Debt issuance

GGI will generally vote in favour of debt issuance proposals if we believe it will enhance a company's long-term prospects. At the same time, we will usually vote against any uncapped or poorly defined borrowing limits, as well as debt issuance which could result in excessive financial leverage. We will usually also vote against proposals to increase debt explicitly as part of a takeover defence.

Share repurchase programs

GGI will generally vote in favour of share repurchase or buy-back programs if we believe the repurchase is in the best interests of shareholders. We are likely to support reasonably sized share repurchase programmes where repurchases are then cancelled, rather than being held for reissuance. At the same time, we will usually vote against abusive repurchase schemes, or when shareholders' interests could be better served by deployment of the cash for alternative uses. When purchased, we prefer that such shares are cancelled immediately, rather than taken into Treasury for re-issuance at a later date.

Shareholder rights

GGI will generally support resolutions which seeks to improve director accountability (e.g., through annual re-elections) or increase minority shareholder rights and protections.

Mergers, acquisitions, and related party transactions

Mergers and acquisitions are considered on a case-by-case basis, and votes are determined by the best interests of our clients.

Related party transactions (RPTs) are common particularly in a number of Asia Pacific jurisdictions. These are transactions between a company and its related parties, and generally come in two forms: one-off transactions (e.g., asset purchases), and recurring transactions (e.g., sale and purchase of goods and services).

We will assess one-off transactions on a case-by-case basis. If we are convinced by the strategic rationale and the fairness of the transaction terms, we will likely vote in favour. For recurring transactions, details should be disclosed in the Annual Report and subject to shareholders' approval on a periodic basis. We would expect all such transactions to have been conducted on an arms-length basis and on normal commercial terms.

Anti-takeover provisions

Poison pills, and other anti-takeover provisions, are arrangements designed to defend against hostile takeover. Typically, they give shareholders of a target company or a friendly third party, the right to purchase shares at a substantial discount to market value. Companies may be able to adopt poison pills without shareholder approval, depending on their jurisdiction.

GGI is generally opposed to any artificial barriers to the efficient functioning of markets and believe corporate control should be for all shareholders to decide; poison pills may well be being used to entrench existing management. Where anti-takeover devices exist, they should be fully disclosed to shareholders and shareholders should be given the opportunity to review them periodically.

Shareholder resolutions

Companies should conduct their business in a manner which recognises their responsibilities to employees and other stakeholders, as well as to the environment and broader society. We will consider supporting shareholder proposals that contribute to the long-term success of the company.

Proxy votes relating to environmental or social issues will be addressed on a case-by-case basis. We seek to differentiate between constructive proposals, intended to bring about genuine environmental or social improvement, and hostile proposals intended to limit management power, which may adversely impact shareholder returns.

We support companies establishing a Sustainability Committee (or equivalent) to oversee environmental and social issues. We expect companies to publish a separate Sustainability Report, or to provide a Sustainability statement within their Annual Report, or on their website. GGI will generally support shareholder proposals seeking improved environmental and social disclosures.

Approval

This statement has been approved by

A handwritten signature in blue ink, appearing to read 'Edward Guinness', with a long horizontal flourish extending to the right.

Edward Guinness, CEO

on behalf of the Board of Guinness Global Investors

Date: Effective March 2022

Important Information

This document is provided for information only. All the information contained in it is believed to be reliable but may be inaccurate or incomplete; it should not be relied upon. It is not an invitation to make an investment, nor does it constitute an offer for sale.

The documentation needed to make an investment, including the Prospectus, the Key Investor Information Document (KIID) and the Application Form, is available from our website www.guinnessgi.com

The funds invest mainly in shares, and the value of these may fall or rise due to a number of factors, including the performance of the company and general stock market and exchange rate fluctuations. The value of your investment may rise or fall, and you could get back less than you invest. Past performance is not a guide to future performance. Further information about risks can be found in the Prospectus.

The Investment Manager, Guinness Asset Management Ltd, is domiciled in the United Kingdom and is authorised and regulated by the Financial Conduct Authority.

Guinness Asset Management Funds plc, the umbrella fund with the Guinness sub-funds, is domiciled in Ireland and is authorised and supervised by the Central Bank of Ireland as a UCITS fund. It is also recognised by the Financial Conduct Authority for distribution in the United Kingdom. The sub-funds may also be distributed in various other countries – please contact us for details.

TB Guinness Investment Funds, the umbrella fund with the TB Guinness sub-funds, is domiciled in the United Kingdom and is authorised and regulated by the Financial Conduct Authority as a UCITS fund.