



Hardman Johnston Global Advisors, LLC

## PROXY VOTING POLICY

December 2023

### Philosophy

Hardman Johnston Global Advisors participates in shareholder votes on behalf of all clients that permit the firm to do so. We feel that as representatives of our investors it is our duty to execute shareholder votes at Annual and Special meetings of the shareholders. We believe that voting gives voice to the investors we represent and is an important tool for holding management and boards accountable.

We, and our clients, have an investment horizon that is typically measured in years. Our starting point for all shareholder votes is that we will support the position that we believe will allow the best opportunity for long term shareholder value creation.

Our approach is consistent across all our strategies as we only invest in liquid, publicly traded equity of companies, with a long investment horizon.

We expect the companies in which we invest to adopt and adhere to governance principles that reflect good corporate stewardship of shareholder assets and responsible corporate citizenship. We expect those companies to let their investors have a voice through the shareholder vote process. We further expect them to adopt governance practices that are aligned with long term value creation. We rely on the shareholder elected board of directors to represent our client's interests, and those of all shareholders.

### Voting Guidelines

Hardman Johnston's voting guidelines are principles that we believe will likely lead to long term value creation. We recognize that practices change over time but have adopted the following as our general guidelines that inform how we vote proxies on behalf of our clients:

#### **Board of Directors**

We expect the board to be composed of qualified individuals from diverse but relevant backgrounds. We expect directors to be diligent in their work representing shareholders. We expect the board to be composed of individuals who are primarily unaffiliated with the company, but recognize that some insider representation, usually from senior management, can be helpful. We expect board tenures to be long enough so that members are effective, but not so long that a board becomes entrenched and stagnant. We expect directors to serve on committees, continuously educate themselves, and vigorously advocate for the both the common shareholder and responsible corporate stewardship.

#### **Leadership**

We believe that in almost every case that shareholders are best served by having a board chairperson who is independent of management.

## **Majority Voting**

We believe that, in general, director elections, mergers, and other typical items subject to a shareholder vote should be settled by a simple majority, as contrasted with a plurality or a supermajority. If more than half the eligible shares support a measure, then it should be adopted. We also oppose supermajority requirements for the same reason.

## **Auditors**

It is the board's responsibility to ensure the shareholders are given a complete and impartial accounting of the financial performance of the company. We expect independent auditors with the requisite experience to be appointed and to be adequately supervised by an independent audit committee of the board. We expect reporting practices to comply with all relevant laws and regulations as well as in keeping with current best practices.

## **Compensation**

We expect the board to set compensation for senior executives whose structure and levels are aligned with long term shareholder value creation. We recognize the tension between retention of capable management and the desire for incentives to improve performance. As such we support both short term performance targets and long-term incentives in the form of stock ownership. Both should be in line with the norms for the relevant industry and the capabilities and performance of the executives involved.

We expect boards and compensation committees to listen when there is a significant negative vote on compensation schemes at the annual meeting. If there is no change to the following year's compensation scheme we would expect to vote against some members of the compensation committee.

## **Governance Structures**

We believe that dual class shares are generally not in the best interest of shareholders and will vote against them when presented with the opportunity. We believe that shareholders should have the ability to call a special meeting with the support of 10-15% of the shareholders. We do not support poison pills or other anti-takeover measures. We feel that all shareholders should have access to the proxy to put forward reasonable measures for a vote.

## **Environmental and Social**

We expect the companies we invest in to behave in a responsible manner observing wider obligations to their communities and environment. We also believe the companies we invest in should have effective oversight in place to monitor and manage their environmental and social issues to avoid any legal, financial, reputational, and regulatory risks.

## **Proxy-Related Engagements**

Hardman Johnston Global Advisors prioritizes active ownership and responsible stewardship of the companies in which we invest. We approach proxy voting as a vital tool to advocate for long-term value creation and sustainability. In instances where our voting decisions diverge from management proposals in one of our marketed strategies, we proactively engage with investor relations teams to foster constructive dialogue. Our aim is to express our concerns, articulate our rationale, and seek alignment with the company's strategic objectives and best practices in corporate governance.



Through these engagements, we strive to contribute positively to the governance and performance of our investee companies, ultimately serving the interests of our clients.

### **Proxy Advisors**

HJGA relies on information from outside sources to inform our investment decisions, and similarly we seek the counsel of experts in corporate governance to inform how we vote proxies. These advisors generally have analysts and experts who stay abreast of the best governance practices around the world. They stay abreast of legislative and regulatory developments as they pertain to governance. We will typically follow their advice, but nonetheless examine each ballot to make sure we agree with their conclusions. We currently employ Glass Lewis & Co. to advise us on proxy voting.

### **Procedures**

Hardman Johnston Global Advisors uses a proxy advisory service to track and ensure that all ballots we are entitled to vote for our clients are voted on time and consistent with our guidelines. Our operations department provides the proxy advisory service with a weekly list of accounts and holdings. Additionally, the operations team notifies the proxy advisory service immediately when an account opens or terminates management with the firm. Hardman Johnston reviews and votes the ballots for a holding before the required deadline via an online portal. An account representative from the proxy advisory service works with Hardman Johnston to ensure that deadlines are met, and irregularities are reconciled.

We are currently using Glass Lewis's platform for our proxy voting processes but will from time to time investigate alternatives.

### **Record Keeping**

We require the proxy advisory service to provide us with an annual audit of our proxy voting. We are also able to provide individual clients, upon request, with a report of how their holdings were voted for a given time period.

### **Oversight**

Oversight of HJGA's proxy voting is performed by the firm's ESG committee. The committee reviews this policy statement annually, performs quarterly checks on whether the policy is being followed, and looks for potential conflicts of interest that might occur with respect to any proxy votes. In addition, the Committee or its delegee reviews the proxy advisor utilized by the Firm to ensure that, among other things, it is meeting its responsibilities to vote proxies in accordance with its guidelines and to identify any potential conflicts of interest that occur with respect to proxy votes. Hardman Johnston also meets at least annually with its proxy advisor to review the proxy voting guidelines and any material changes to them and other relevant information that could inform Hardman Johnston's choice of its proxy advisor.