

J. STERN & Co.

Voting Summary 2020

Our Voting Policy

Our stewardship activities are an integral part of how we manage assets for our clients. The guiding principle governing our approach to voting is to act in line with our fiduciary responsibilities in what we deem to be the best interests of our clients. While we are a boutique asset manager, we are willing to take a stand and to use our vote wisely to support engagement.

In the ordinary course of our business we look to support company management because quality of management is one of our key investment criteria. However, we withhold support or oppose management if we believe that it is necessary and appropriate to do so.

Shares are voted on behalf of clients according to our contractual obligations and applicable local laws and regulations. As such, we will vote where this is possible or administratively feasible, in order to maintain and enhance long-term value of our clients' investments. Laws and regulations related to voting procedures differ significantly across countries. Our ability to vote on behalf of clients may be constrained by requirements or restrictions imposed by certain jurisdictions.

We seek to vote on all issues raised. The majority of resolutions target specific corporate governance issues which are required under local stock exchange listing requirements, including but not limited to: approval of directors, approval of annual reports and accounts, approval of incentive plans, capital increases, and reorganisations and mergers. We vote on both shareholder and management resolutions.

We do not outsource this important task to third-party providers. Instead our investment team undertakes its own internal work in assessing resolutions, applying our voting principles to each item. These principles include ensuring the board's diversity and independence, protecting minority shareholder rights, ensuring that executive compensation is tied to the long-term prospects of the business and shareholder value creation, upholding ESG issues and supporting capital increases only for legitimate financing reasons. Where appropriate we draw from external research, but ultimately the final decision reflects our assessment of what is in the best interests of our clients.

Proxy Voting Summary Jan 1st, 2020 – Dec 31st, 2020

Type of Resolutions

All Resolutions	Number of Resolutions	Voted against Management
Audit	19	-
Ratification	19	-
Board of Directors	228	-
Election	228	-
Capital	25	-
Pre-emptive rights	3	-
Share issuance	8	-
Share repurchases	13	-
Dividend	1	-
Compensation	48	1
Directors	6	-
Employee stock	10	-
Executive	32	1
Financial statements	32	-
Approval	31	-
Disclosure	1	-

All Resolutions	Number of Resolutions	Voted against Management
Governance	13	-
Policies	13	-
Meetings & Voting	21	1
AGM related	8	1
Special meetings	4	-
Voting	9	-
Environmental & social	29	5
Consumer issues	6	-
Diversity	7	5
Environment	5	-
Human rights	2	-
Labour	1	-
Political activities	8	-
Grand Total	415	7

Company Breakdown

Company	Number of Resolutions	Voted with Management	Voted against Management
Abbott	20	20	0
Activision	13	13	0
Adobe	15	14	1
Alcon	22	22	0
Alphabet	24	22	2
Amazon	25	23	2
American Tower	15	15	0
BAT	21	21	0
Diageo	24	24	0
Eaton	18	18	0
Essilor	14	14	0
Luxottica	14	14	0
Facebook	19	18	1
Honeywell	17	17	0
L'Oréal	17	17	0
LVMH	24	24	0
Mastercard	16	16	0
Medtronic	17	17	0
Nestlé	28	27	1
Pernod	20	20	0
Ricard	20	20	0
Sika	20	20	0
Thermo Fisher	14	14	0
United Tech.	12	12	0
Grand Total	415	408	7

In 2020, we voted on a total of 415 resolutions at the AGMs of 22 companies. We voted against the companies' Board of Directors recommendation on seven instances, in line with our voting principles.

Our Commitment to Diversity & Inclusion

Our voting record reflects our commitment to Diversity & Inclusion, which has been one of our priority topics of engagement. We notably voted against the boards'

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recommendation in five instances, outlined below, to support shareholder proposals for increased disclosure around Diversity & Inclusion metrics. We believe this issue to be particularly relevant in the information technology industry, where there are significant opportunities and value to improving the representation of women and underrepresented minorities.

Adobe – Voted in favour of a shareholder proposal requesting gender pay gap disclosure. Whilst we recognise that Adobe focuses on “pay parity”, e.g. that people are paid fairly for the job and location regardless of gender/race, we believe that Adobe (and other companies) can go further by disclosing more information linked to promotion and opportunity such as median pay figures. Indeed, “pay parity” does not account for the possible structural bias between roles and gender.

Alphabet – Voted in favour of a stockholder proposal requesting a report on gender/racial pay equity. Such a report would help build more comprehensive disclosure around pay parity.

Amazon – Voted in favour of a shareholder proposal requesting a report on promotion-related data and voted in favour of a shareholder proposal requesting additional reporting on gender/racial pay levels. We believe it is important to understand how promotion operates at Amazon given the leadership team is overwhelmingly male.

Facebook – Voted in favour of publishing a median gender and racial pay gap report. While Facebook already discloses numerous metrics around pay parity, we believe a median pay gap report would be useful to complete these disclosures.

In addition, we voted against the Board of Alphabet regarding the executive compensation of its CEO. We deemed the proposed \$280m to be disproportionate due to various considerations including the performance of the share price.

Our approach and principles with regard to proxy voting are detailed in our Stewardship and Engagement Policy document available on our website.