

J. STERN & CO.

Voting Activity Summary 2021

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.

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, reorganisations, mergers and acquisitions. We vote on both shareholder and management resolutions.

We undertake our 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 will reflect our own assessment of what we believe to be in the best interests of our clients.

Responsibility for assessing the merits of each individual resolution lies with the dedicated analyst covering the company. The conclusions are presented to the ESG Committee and the CIO who then reach a decision for each company's set of resolutions. We have voted against and will continue to vote against boards' recommendation if we believe that doing so is in the best interests of our clients.

Securities are held on behalf of clients in multiple countries and at multiple custodians and banks, which may constrain or restrict us from voting. Therefore, our voting activities are subject to our contractual obligations with those clients and applicable local laws and regulations. As such, we will vote where this is possible or administratively feasible, unless directed otherwise by clients.

Proxy Voting Summary Jan 1st, 2021 – Dec 31st, 2021

Type of Resolutions

All Resolutions	Number of Resolutions	Voted Against Management
Audit	34	–
Ratification	34	–
Board of Directors	349	–
Election	349	–
Capital	60	–
Authorized Capital	3	–
Conditional Capital	1	–
Convertible bonds	2	–
Pre-emptive rights	2	–
Shares repurchase	12	–

Treasury shares	1	–
Share issuance	39	–
Compensation	73	2
Directors	18	–
Employee stock purchase	7	–
Executive	48	2
Financial statements	37	1
Approval	37	1
Governance	25	2
Policies	24	2
Political activities	1	–
Shareholders rights	9	3
Special meetings	4	1
Voting	4	2
Written consent	1	–
Social and environmental	23	11
Charitable contributions	1	1
Climate strategy	1	–
Competition	1	–
Competition	1	–
Consumer issues	5	4
Corporate structure	3	–
Diversity & Inclusion	5	3
Environment	2	2
Political activities	2	1
Human rights	2	–
Meetings & Voting	5	–
AGM related	5	–
Grand Total	615	19

Company Breakdown

Company	Total Resolutions	Voted with Management	Voted Against Management
Abbott	19	19	-
Activision	12	12	-
Adobe	14	14	-
Alcon	22	22	-
Alphabet	21	17	4
Alteryx	5	5	-
Amazon	23	15	8
American Tower	16	16	-
Amphenol	14	14	-
Becton Dick.	16	16	-
Diageo	20	20	-
Draft Kings	15	15	-
Eaton	15	15	-
EssilorLux.	32	32	-
Estee Lauder	6	6	-
Meta	17	13	4
Givaudan	20	20	-
Honeywell	14	14	-
Linde	19	19	-
L'Oréal	23	23	-

J. STERN & Co.

LVMH	30	29	1
Mastercard	19	18	1
Medtronic	17	17	-
MTU	14	14	-
Nestle	28	28	
Otis	12	12	
Pernod Ricard	27	27	
Pushpay	2	2	
Raytheon	19	19	
Roche	25	25	
Salesforce	15	15	
Schlumberger	14	13	1
Siemens Heal.	13	13	
Sika	20	20	
Square	2	2	
ThermoFisher	15	15	
Grand Total	615	596	19

already implemented some measures to this end, we saw merit in the proposal to produce a specific report as to how effective their actions have been so far.

Schlumberger and Mastercard – We voted against approving the proposed executive compensation package for both companies, which effectively lowered the threshold performance targets tied to variable compensation. We believe changing executive performance goals mid-year is unsolicited, that such goals should reflect the long-term potential and cyclicity of a business and not be subject to changes depending on business circumstances.

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

In 2021, we voted on a total of 615 resolutions at the AGMs of 36 companies (vs 22 AGMs in 2020). We voted against the companies' Board of Directors recommendation on 19 instances (vs 7 in 2020), in line with our voting principles.

Our Commitment to Better Corporate Practices

In 2021, we continued our focus on Diversity & Inclusion which has been one of our priority topics in the past years. During 2021 we notably voted against the recommendation of the board of Amazon in three instances, outlined below, to support shareholder proposals for increased disclosures 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.

Amazon – We voted in favour of three shareholder proposals on Diversity & Inclusion requesting that the company:

- Produce a report on median pay gaps across race and gender, which includes the associated policies related to recruiting and retaining diverse talent.
- Produce a report on promotion data, specifically the promotion velocity rates by title and level for different gender and racial identities.
- Produce a report with the conclusions of a racial equity audit.

During the year, we also expanded our focus to include issues such as executive compensation, the separation of the Chair and CEO roles, the abolition of dual share class structures, and the responsible use of technology.

Amazon – We voted in favour of a shareholder proposal requesting that the company produces a report disclosing the amount of plastic packaging used and discussing the reputational, financial, and operational risks associated with using unrecyclable packaging.

Meta (formerly known as Facebook) – We voted in favour of a shareholder proposal requesting the separation of the roles of Chairman and CEO. Whilst we recognize the founder's Mark Zuckerberg leadership and vision, we want to ensure that the rights of minority shareholders are fully protected in line with our voting principles. We found that 52% of independent shareholder votes were in support of the separation of the roles. We also voted for a shareholder proposal calling for the company to strengthen its policies against platform misuse. Given the numerous controversies Facebook has faced related to this issue over the past years, we believe it is in its best interest to strengthen measures preventing platform misuse. Whilst it has