

Stewardship Code



The Stewardship code aims to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders by setting out good practice on engagement with portfolio companies. Kempen Capital Management (UK) Ltd fully cooperates with Kempen Capital Management N.V. regarding the policies as drafted below. Both companies fully welcome and support the principles contained within the FRC UK Stewardship Code.

► The principles of the UK Stewardship Code are:

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

Kempen Capital Management (KCM) has adopted voting policies and procedures that serve as a guideline for our voting decisions.

The execution of voting rights is an important part of a well-functioning corporate-governance system. KCM carries out its fiduciary responsibility by voting at shareholder meetings for its own funds and for discretionary mandates at the client's request. The overriding principle behind KCM's governance activity, including voting and engagement has the ultimate objective of protecting shareholder value and enhancing our clients' returns. KCM aims to have progressive, open and transparent voting practices for clients.

Furthermore KCM adheres to the Dutch Corporate Governance Code and the Stewardship Code and strives to align with initiatives such as Eumedion best practices. Moreover, KCM is a signatory of the Principles for Responsible Investments. By adopting our voting policy we adhere to Principle 2, which states that "We will be active owners and incorporate Environmental, Social and Governance ("ESG") issues into our ownership policies and practices".

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

Our policy is to vote where possible and where we have been given discretion by our clients. In exercising voting authority we endeavour to implement best practice and follow the relevant applicable regulatory and legislative requirements, both in the Netherlands and other jurisdictions in which we are regulated.

KCM uses independent governance research and voting advice from a specialist international proxy advisor. KCM exercises votes and where applicable intervenes in an objective and informed way. In case of controversial or important agenda items, the relevant portfolio manager at KCM can be consulted to discuss the vote. KCM ultimately decides how to vote at a meeting.

Principle 3: Institutional investors should monitor their investee companies.

KCM has contracted GES Investment Services (GES), a leading Swedish research and service provider for responsible investors, to provide sustainable investment solutions. GES performs screening on the holdings of investment companies, reports the results to the portfolio managers and may advise upon voting issues. GES screening is based on the framework of the UN Global Compact and the interpretations of international conventions on environment, human rights and business ethics.

When evaluating voting issues relating to CSR, international law and agreements provide useful standards. Voting on social responsibility issues differ from those on corporate governance issues. Therefore internal voting guidelines are in place to address this area, by identifying a set of internationally accepted standards and norms against which to assess CSR proposals.

Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

We take an active approach to communicating our views to companies. We will engage with the company, by direct engagement with the company or joint intervention with other shareholders, and where appropriate, voting against board proposals.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.

We recognise that joint action by shareholders has the potential to be more effective than acting alone. Our policy is to pursue opportunities for collaborative engagement in such circumstances.

KCM is an active participant in a number of organisations that facilitate collaborative engagement, such as the PRI Clearinghouse.

In considering participation in collaborative engagement initiatives, we take into account potential conflicts of interest, concert party rules and our policy on insider information.

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

KCM has an independent voting policy and does not automatically support the board. Voting records are retained for all votes cast.

KCM's voting guidelines are published on our website. A summary of our voting activity is provided if applicable, the annual report of the investment fund concerned will render minimum account of the execution of the policy.

When evaluating corporate governance and voting issues, the overriding principle is the fiduciary duty to our clients. For mandates, KCM exercises voting rights according to the proxy voting agreement in place with the client.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

As agents acting on behalf of our clients we report regularly to them with details of how we have voted on their shareholding's.

For further information on Kempen Capital Management's responsible investment work, please contact:

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