



Voting Policy

Updated February 2023

Voting Policies

In respect of the companies in which the Funds do invest, the Board have adopted the following policies on voting at general meetings on a range of proposals that may be put to shareholders. The Funds will not necessarily vote on all matters at all general meetings.

1. Election or re-election of directors

In general the Funds will not vote on the election or re-election of directors unless they consider the performance of the company warrants a review of the board in totality or of the directors individually. In reviewing the board of directors, the Funds will consider:

- The suitability of the candidate, including those nominated by other than the Board;
- The performance of company, including ethical and ESG performance and general governance conduct, during the period of office;
- The structure, ownership and control, and diversity of the Board;
- Whether other directorships/appointments could conflict with the appointment or restrict the director in providing sufficient attention (e.g. over-boarding of directors);
- Time in office.

2. Non-executive director remuneration

The Funds will consider voting on significant proposed changes in the remuneration policies and practices proposed for non-executive directors and in doing so will consider:

- Reasons put forward by the Board for any proposed increase, changing circumstance, including board size, responsibilities and location of operations, quantum of increase, peer benchmarking and performance of the company;
- Appropriateness of other forms of remuneration – e.g. retirement benefits, share schemes;
- Comparisons with peer group companies and industry best practice.

3. Executive share and option schemes

The Funds will consider voting on significant proposed changes if they consider the proposed benefit for executive directors is inappropriate and in doing so will consider:

- Quantum and relationship with cash and other benefits;
- Appropriateness of performance hurdles and any in-built protection for executive;
- Comparisons with peer group companies and industry best-practice

4. Remuneration reports

The Funds will consider voting on the acceptance or otherwise of the remuneration report if they consider the report discloses inappropriate practices or fails to adequately disclose amounts paid to executive directors. The Funds will also consider:

- Remuneration linked to sustainability and/or climate change risk mitigation and low carbon transition and adaptation strategies;
- Remuneration alignment with both shareholder and significant stakeholder interests;
- Comparisons with peer group companies and industry best-practice.

5. Changes to constitution

The Fund will only vote on proposed changes to the constitution of the company if they consider there is a substantial impact on their holdings, including dilution, other ownership implications to minority shareholders and significant external stakeholders, or priority in the event of failure of the company.

6. Shareholder resolutions

The Funds will vote on all matters raised by shareholders and will consider each resolution in the context of current ethical policies and environmental, social and governance (ESG) guidelines adopted in selecting and retaining investments, alongside existing statutory requirements.

Voting procedures

Upon receipt of the notice of general meeting, the Funds will identify and review those matters that it considers should be voted upon within the policy parameters set out above. In identifying those matters, management may take guidance on such issues as can be inferred from external ESG data and following recommendations from proxy voting advisors and industry bodies such as the United Nations Principles for Responsible Investment (UNPRI) and the International Corporate Governance Network (ICGN).

Consideration is given to whether the Funds should use their voting power, both individually and in collaboration with other like-minded funds, in persuading companies to adopt preferred actions or policies. The Funds recognise that the Church has a history of direct engagement with companies and whilst this is more effective than simply using voting power, the Funds deliberately exert their influence through voting choices.

Management report to the Board Investment Committee quarterly on voting decisions and publicly disclose the Funds' voting record.