

Veritas Investment Management LLP

UK Stewardship Code

The UK Stewardship Code aims to enhance the quality of engagement between institutional investor and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. The Code sets out good practice on engagement with investee companies to which the Financial Reporting Council believes institutional investors should aspire and operates on a comply or explain basis.

The majority of Veritas Investment Management's ("VIM") business is designated as being Retail as our business focuses on UK and international private clients as well as charities, although we do have a small number of institutional clients. Given our client base, there are areas where the principles and guidance are disproportionate.

This policy explains our compliance with the UK Stewardship Code and provides an explanation where elements of the Code have not been complied with.

1. Institutional Investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

Stewardship activities include monitoring and engaging with companies on matters such as strategy, performance, risk, capital structure and corporate governance, including culture and remuneration.

This policy describes VIM's arrangements for integrating stewardship within our wider investment process. This policy is disclosed on our website www.veritasinvestment.co.uk

2. Institutional Investors should have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.

VIM has an obligation to act in the best interest of its clients and treat them fairly where there are or could be potential conflicts of interest. VIM has a policy in place which sets out how we identify conflicts and our procedures for the effective management and mitigation of these conflicts. The conflicts of interest policy is publicly available on our website www.veritasinvestment.co.uk and is disclosed to new clients during the take on process. If a conflict were to arise in relation to stewardship, VIM would always act in a manner that, in their opinion, was in the best interest of its clients.

3. Institutional Investors should monitor their investee companies.

We are appointed by our clients as an investment manager with a fiduciary responsibility to help them generate real returns over the long term. Intrinsic to this responsibility is VIM's approach to stewardship through the initial and ongoing analysis of the investments it makes for its clients.

VIM's investment process is focused on conviction investing and in truly understanding the companies it invests in. We do not have an extensively long list of companies in which we might invest, and therefore investments are monitored on both a thorough and a regular basis. We prefer to meet companies face to face prior to investing, as well as carrying out research and using external information where appropriate.

4. Institutional Investors should establish clear guidelines on when and how they will escalate their stewardship activities.

Ad hoc meetings are held with the companies we invest in and our approach is to interact with the management in order to understand the drivers for the business as well as raise any concerns we may have. The concerns would relate to anything which would give us to cause to question whether the shareholding in the company

will be able to generate real returns over the long term. If we felt that the issue could not be raised with the management we would look to engage with the Senior Independent Director (SID) if appropriate.

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

Given our assets under management, the shareholdings we have on behalf of clients are on the whole de minimis in terms of the overall share capital. Where possible we will vote on behalf of our clients and therefore act collectively with other investors in terms of voting.

6. Institutional Investors should have a clear policy on voting and disclosure of voting activity.

VIM manages investments on behalf of a diverse client base of UK and international private clients as well as charities. Given the assets under management we hold (and our ethos not to be asset gatherers) the shareholdings we have on behalf of clients in different companies are on the whole de minimis in terms of the overall share capital. Where possible we will vote on behalf of our clients, in addition to using dialogue to influence company management.

7. Institutional Investors should report periodically on their stewardship and voting activities.

VIM do not report separately to clients on its stewardship activities as this would be disproportionate given the de minimis size of our company holdings.