

Hosking Partners

VOTING POLICY

Version No.	Date of Approval	Author	Changes
1	1 April 2015	Compliance	Initial
2	November 2016	Compliance	Minor changes for clarification

VOTING POLICY

Hosking Partners LLP (the “Firm”) acts as the Alternative Investment Fund Manager (AIFM) for the Hosking Global Fund plc and such other pooled funds as the Firm may establish and manage from time to time (each a “Fund” and collectively the “Funds”) and also provides discretionary portfolio management services to a number of segregated client accounts, including where the Firm acts as investment adviser or sub-adviser to a pooled fund operated or managed by a third party. (“Segregated Clients”). In accordance with its obligations under the rules of the Financial Conduct Authority (the “FCA”) and the EU Commission Delegated Regulation (EU) No. 231/2013 (the “Commission Regulation”) (the “Regulations”), Hosking Partners LLP (the “Firm”) is required to develop adequate and effective strategies for determining when and how any voting rights it holds are to be exercised to the exclusive benefit of the investors in the Fund. The Firm applies the same principles when exercising votes on behalf of its Segregated Clients where such authority has been delegated to the Firm.

This policy sets out the measures and procedures for:

- (i) monitoring relevant corporate events;
- (ii) ensuring that the exercise of voting rights is in accordance with the investment objective and policy of the Fund and Segregated Clients;
- (iii) preventing or managing any conflicts of interest arising from the exercise of voting rights.

1. Monitoring Relevant Corporate Events

The Firm will give due consideration to the investment objective and policy of the Fund and of Segregated Clients prior to exercising the voting rights associated with proxies or any other participation in a corporate event. Once a decision to vote or to participate in a corporate event has been made by the Firm, the Firm monitors the event through to completion of the relevant action.

The Depositary of the Fund (the “Depositary”) and the custodians of the Segregated Clients will advise the Firm of corporate actions, such as rights issues or the conversion of warrants to shares.

2. Ensuring that the Exercise of Voting Rights is in accordance with the Investment Objective and Policy of the Fund and Segregated Clients

Proxy voting is a duty of the Firm and an integral component of the investment process. The Firm votes client proxies in accordance with the procedures set forth below. The Policy applies to any voting or consent rights with respect to securities of the Fund and Segregated Clients where delegated to the Firm.

The Firm has entered into a proxy voting service agreement with Institutional Shareholder Services Inc. (“ISS”), dated 17 June 2014 (the “ISS Agreement”).

ISS is a provider of corporate governance solutions for asset owners, investment managers, and asset service providers. ISS’ solutions include objective governance research and recommendations and end-to-end proxy voting and distribution solutions.

ISS's Global Voting Principles, provide for four key tenets: accountability, stewardship, independence, and transparency. These tenets, which underlie ISS' approach to developing recommendations on management and shareholder proposals at publicly traded companies, are reproduced below:

Accountability

Boards should be accountable to shareholders, the owners of the companies, by holding regular board elections, by providing sufficient information for shareholders to be able to assess directors and board composition, and by providing shareholders with the ability to remove directors.

Directors should respond to investor input such as that expressed through vote results on management and shareholder proposals and other shareholder communications.

Shareholders should have meaningful rights on structural provisions, such as approval of or amendments to the corporate governing documents and a vote on takeover defences. In addition, shareholders' voting rights should be proportional to their economic interest in the company; each share should have one vote. In general, a simple majority vote should be required to change a company's governance provisions or to approve transactions.

Stewardship

A company's governance, social, and environmental practices should meet or exceed the standards of its market regulations and general practices and should take into account relevant factors that may impact significantly the company's long-term value creation. Issuers and investors should recognize constructive engagement as both a right and responsibility.

Independence

Boards should be sufficiently independent so as to ensure that they are able and motivated to effectively supervise management's performance and remuneration, for the benefit of all shareholders. Boards should include an effective independent leadership position and sufficiently independent committees that focus on key governance concerns such as audit, compensation, and the selection and evaluation of directors.

Transparency

Companies should provide sufficient and timely information that enables shareholders to understand key issues, make informed vote decisions, and effectively engage with companies on substantive matters that impact shareholders' long-term interests in the company.

The Firm has subscribed to the 'Implied Consent' service feature under the ISS Agreement to determine when and how ISS Governance Services executes ballots on behalf of the Fund and Segregated Clients. This service allows ISS to execute ballots on the Fund's Segregated Clients' behalf in accordance with the ISS vote recommendations. However, the Firm retains the right to override the vote if it disagrees with the ISS vote recommendation by using the ISS ProxyExchange platform to communicate override instructions to ISS. In practice, ISS notifies the Firm of upcoming proxy voting and makes available the research material produced by ISS in relation to the proxies. The Firm then decides whether or not to override any of ISS's recommendations.

The Firm has adopted the following guidelines in relation to proxy voting in these areas for the Fund and Segregated Clients and believes that the ISS approach (based on the ISS tenets described above and with the right to override any particular vote) is aligned with these guidelines and in the best interests of investors in the Fund and Segregated Clients:

Board of Directors and Corporate Governance

The Firm will generally review a number of factors including the Directors' track record, the issuer's performance, qualification and the strategic plans of the candidates

Appointment / re-appointment of auditors

The Firm will look to the independence and standing of the audit firm, which may include a consideration of non-audit services provided by the audit firm and will generally be in favour of periodic rotation of auditors after a number of years' service.

Management Compensation

The Firm will generally favour equity based or other compensation that is aligned to the long-term interests of the issuer's shareholders and will look for issuers to provide clear disclosure regarding their remuneration policies and practices.

Takeovers, mergers, corporate restructuring and related issues

These will be subject to careful review on a case by case basis to determine whether they would be in the best interests of shareholders. The Firm will analyse various quantitative and qualitative factors before making a determination.

3. Preventing or Managing any Conflicts of Interest arising from the Exercise of Voting Rights

During the proxy voting process, the Firm may be confronted with conflicts of interest. The Firm has developed adequate and effective strategies for determining when and how any voting rights are to be exercised, to the exclusive benefit of the Fund and its investors, and Segregated Clients. The Firm ensures that all potential and actual conflicts are identified, evaluated, managed, monitored and recorded. It is the Firm's policy and duty to act in the best interests of the Fund and its investors and its Segregated Clients. Should a conflict of interest

arise, the Firm's Management Committee would take appropriate steps to ensure fair treatment of the Fund and Segregated Clients, including disclosure of the conflict to the affected clients, if required. The Management Committee of the Firm approve the Voting Policy and the Firm makes the Voting Policy available to investors in the Fund and Segregated Clients upon request.

Where, in relation to a particular proposed vote, a potential conflict of interest is identified, it is notified to the Management Committee prior to the vote taking place. The Management Committee makes the final voting decision.

Investor and Client Information

A summary description of the Policy referred to herein shall be made available to investors in the Fund and Segregated Clients upon request. Details of the actions taken on the basis of this Policy shall be made available to investors and Segregated Clients free of charge and on their request.

Record Keeping

The Firm shall maintain a record of every proxy voting right actioned or otherwise in order that it may respond to specific information requests from investors in relation to specified issues.

The Firm shall maintain a record of every corporate action event actioned or otherwise and provide copies upon request.