

# **Anchor Capital Advisors LLC**

## **Proxy Voting Policies, Procedures and Guidelines**

In accordance with Rule 206(4)-6 and amendments to Rule 204-2 under the Investment Advisers Act of 1940, Anchor Capital Advisors, (Anchor), has adopted and implemented the following policies and procedures with regard to voting proxies for companies Anchor actively researches on behalf of clients who have delegated it the authority to do so. Policies and procedures will comply with industry and state/local regulatory requirements.

The Chief Compliance Officer (CCO) has oversight of Anchor's proxy voting policies and procedures. The CCO is responsible for appointing an officer of Anchor to serve as the Proxy Voting Officer (PVO) and an associate as the Proxy Voting Associate (PVA), to assist in implementation of the proxy voting procedures. The PVO is responsible for maintaining Anchor's proxy-voting guidelines. The PVA is responsible for ensuring the proper mechanisms are in place for the analysts to vote proxies solicited by companies and /or mutual fund sponsors (Registered Investment Companies) whose shares are held in Anchor SMA Model portfolios.

The analysts will vote proxies in accordance with Anchor's guidelines, referring items to the PVO and/or members of the Investment Policy Committee, (IPC), when necessary. The PVO and IPC in consultation with outside sources analyze each proposal to determine it might affect and impact a company's ability to achieve the most favorable short and long term financial and social impact for its employees, its shareholders, the broader community and Anchor clients.

### **Proxy Voting Procedures**

The Company utilizes several *electronic proxy voting services* to execute proxy votes on behalf of clients who have authorized us to do so. In addition, Anchor will make a best effort to vote any paper ballots received. Complete records of proxy votes are maintained electronically through the services. Quarterly the PVA will generate a report and document proxies voted and any votes missed. Where required or requested, the PVA shall provide clients with documentation regarding proxies voted on their behalf.

### **Voting Guidelines**

Anchor's PVO in conjunction with the IPC will review the voting guidelines annually, or as needed and make any necessary changes. The guidelines will be implemented by the analysts who will vote accordingly. With regard to governmental pension plans in the state of Florida, in accordance with FL Statute 112.662, only pecuniary factors may be considered when exercising shareholder rights.

Anchor's PVA will conduct the following proxy voting process:

- Ensure that analysts are set up properly within the electronic proxy voting services so that alerts are emailed weekly a current list;
- Handle other administrative functions of proxy voting;
- Maintain records of votes cast; and
- Provide recommendations with respect to proxy voting procedures in general.

### **Shareholder Engagement**

As a part of our investment process, we regularly engage existing and prospective portfolio companies in discussions about a variety of ESG issues. We do this for several reasons. Such discussions help us identify and manage risk and understand opportunity. We also believe it is helpful for management teams to hear the perspectives of investors, and engagement can help signal to companies the level of investor support for impact-related actions.

Our fundamental approach to engagement is collaborative, not confrontational. We are ultimately on the same team as our portfolio companies—we invest in them because we think they manage risks well and add value via sustainable business activities. We are often among a company’s largest institutional shareholders (in terms of number of shares owned) and we are long-term investors, so we have not needed to file shareholder resolutions to get the attention of management. We support and value the progress that has resulted from the filing of shareholder resolutions, and the trends and data that flow from those ongoing shareholder efforts often inform our engagements and the issues we prioritize.

Our fundamental research is rooted in a case-by-case approach to every company as a unique situation; the same is true of our approach to engagement. Every company is different, and every engagement is different. That being said, we have used a broader portfolio approach to develop and confirm our engagement priorities. Our engagement priorities may vary year to year, but our primary engagement opportunities have related to board diversity and independence and management compensation.

### **Controversy Monitoring**

Our investment team regularly monitors portfolio holdings and keeps up-to-date on potential or existing controversies for portfolio holdings. The investment team utilizes the MSCI ESG controversies framework as a way to track the predominant areas.

Environment	Human Rights & Community	Labor Rights & Supply Chain	Customers	Governance
Biodiversity & land use	Impact on local communities	Labor management relations	Product safety & quality	Bribery & fraud
Toxic emissions & waste	Human rights concerns	Health & safety	Anticompetitive practices	Governance structures
Energy & climate change	Civil liberties	Collective bargaining & union	Customer relations	Controversial investments
Water stress	Other	Discrimination & workforce diversity	Privacy & data security	Other
Operational waste (Non-hazardous)		Child labor	Marketing & advertising	
Supply chain management		Supply chain labor standards	Other	
Other		Other		

### **Conflicts of Interest**

Should a conflict of interest arise, Anchor Capital will resolve the conflict with the view of the best interest of the investors. If Anchor Capital determines there is a material conflict of interest in connection with a proxy vote, Anchor will determine whether voting in accordance with the guidelines described above is in the best interest of the client. It will also determine whether it is appropriate to disclose the conflict to the affected client and provide the client the opportunity to vote the proxy themselves.

## **Corporate Governance, Compensation and Ownership**

### *Vote For:*

- Strong Independent Board Leadership
- Independent Chairman and Chief Executive Officer
- Annual election of Directors
- Requirement to offer resignation if failing to achieve majority of votes cast
- Compensation aligned with performance and shareholder interest
- Meaningful senior management and employee stock ownership
- Mergers and acquisitions that are in the best financial interest of shareholders
- Issuance of non-dilutive shares

### *Vote Against:*

- Staggered board elections
- Super majority and cumulative voting
- Classification of board members
- Issuance of shares with unequal voting rights
- Actions that dilute the economic interests of shareholders
- Anti-takeover provisions or other “poison pills”
- Excessive compensation for Named Executive Officers
- Repricing of options or rights
- Any proxy provisions that seek to exculpate Corporate Officers from personal liability for breaches of fiduciary duty up to reckless conduct.

## **Environmental and Social Issues**

### *Vote For:*

- Annual report of company's progress in achieving:
  1. Diversity of workforce
  2. Equity and fair treatment of all employees
- Annual report on environment and climate stewardship
  1. Reduction in the use of non-organic materials
  2. Use of non-carbon based energy
  3. Reduction in non-organic waste
  4. Increase in use of recyclable and reusable materials

### *Vote Against:*

- Proposals that fail to achieve intended outcomes
- Proposals with limited shareholder support
- Proposals not in the best economic and social interest of the majority of shareholders
- Management in such case as we view in the best interests of the shareholders

### **I. Conflicts of Interest**

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### **II. Disclosure**

Anchor will provide a summary of the Proxy Policy in its Form ADV 2A which will be updated accordingly. Anchor will also disclose in its Form ADV 2A that clients may contact the Proxy Voting Associate, (PVA), to obtain information on how Anchor Capital voted and to request a copy of the Proxy Voting Policy. If a client requests voting information, the PVA will provide a response to the client that includes; (1) the name of the issuer; (2) the proposal voted on; and (3) how Anchor Capital voted. The PVA will maintain a log of any client requests / fulfillments.

### **III. Adoption:**

This Statement of Proxy Voting Policies and Procedures is reviewed annually.

Rev: 10/19; 6/2020, 02/2023, 11/2023  
Reviewed: 03/2022