Cantillon Capital Management
Annual Statement on Cantillon's Shareholder Engagement Policy

Cantillon Capital Management LLP is an asset management firm, established in 2003. Together with our US affiliate, Cantillon Capital Management LLC (collectively referred to as 'Cantillon'), we manage assets of approximately $16.5[1] billion, on behalf of charities and endowments, pension funds, family offices and other institutional investors. We manage a single investment strategy – Cantillon Global Equity – which seeks to achieve long-term capital appreciation by investing in a diversified portfolio of global equities.

This Annual Statement fulfils the requirements of the Shareholder Rights Directive II (SRD II) in setting out our voting activity during the calendar year 2022. Other information required to be reported by SRD II is already contained in our comprehensive quarterly investment reports and other investor material.

Voting Activity

During the course of the year, we have voted proxies for our two pooled vehicles - the Cantillon Global Equity Fund (Irish-registered UCITS) and Cantillon Global Equity LP (US registered LP) - and for some of our separately managed accounts (SMAs). Some of our SMA clients chose to do their own voting.

Our policy is to vote proxies on a given issue in the same way for all of our clients.

We do not carry out securities lending for our two pooled fund vehicles. Some of our clients with SMAs have authorised their custodian bank to implement their own securities lending program and in those cases, we co-operate with the client's custodian to assist in the implementation of that program. Note that we do not recall stocks for voting purposes.

We take our voting responsibilities seriously and fully review every vote. We expect our investment professionals to be aware of the corporate structure, governance, and key strategic and operational considerations of our holdings. For example, excessive compensation schemes, significant changes to board structure or compliance functions, and mergers and acquisitions are all issues that need to be monitored carefully. We believe it is important for our investment professionals to review every item on every proxy, ensuring that we are aware of all the issues arising in ballots, and helping us use the influence we have to impact the direction of the companies held in the portfolios. Our investment professionals, as opposed to a proxy voting department or other operational group, are also best placed to judge whether proposals are in the best interests of shareholders.

We subscribe to research and proxy-related services provided by Institutional Shareholder Services (ISS) to assist us with the mechanics of voting. We also have access to ISS's research, and we review their voting recommendations and rationale for proxies relevant to us. ISS uses a shareholder maximisation philosophy for most of their clients (including Cantillon), which means they recommend the vote most likely to create value for equity holders in the long term. They also analyse the corporate governance implications of each proxy vote. While we find ISS's broad-based data resources and analytical frameworks to be useful, we do not outsource the final voting of proxies to them. The role of proxy advisers is controversial, particularly with corporate issuers, some of whom object to the outsized influence wielded by proxy advisers and also argue that they have conflicts of interest.

Cantillon's view is that our own investment professionals are best positioned to make the sometimes subjective judgements regarding what is in the best interests of shareholders. In cases where ISS recommends a vote against management, we typically engage with the company directly to better

[1] At January 31, 2023.

understand their position on the issue. After considering the various arguments and conducting our own analysis, we make the final decision and record our voting rationale, if it differs from that of ISS.

We abstain from voting if we are in the process of selling the stock during the period between the record date and the AGM/EGM meeting date.

During 2022 we voted as follows:

	Number
Votable meetings	52
Meetings voted	52
Votable resolutions	774
Votes for management recommendation	743
Votes against management recommendation	29
Abstentions	0
Withheld	2

For the purposes of this report, we have reviewed all votes cast during 2022 to determine if any should be classed as significant, and therefore reported in this Statement. We used the following criteria to establish significance:

1) votes where the company scores very poorly (10) on ISS's Governance Quality Score[2] and ISS has recommended voting against a management proposal; and
2) which, in the view of Cantillon's investment team, are significant.

Using these criteria, there were eight votes in 2022 that we deemed significant:

CME: May 4, 2022
ISS recommended voting against named executive officers' compensation, arguing that a pay-for-performance misalignment existed for the year, without mitigating factors. CME had provided the CEO with a $5 million discretionary bonus in connection with extending the term of his employment agreement for one year, and the proxy did not disclose any clawback or repayment provisions if he were to resign or retire. ISS also pointed to concerns about goal setting for the annual pay program. The financial metric target used in the annual bonus was set below the prior year's actual performance for the third consecutive year without a compelling rationale disclosed or a corresponding reduction in pay opportunity. Goal setting concerns also exist in the LTI program, as performance equity merely targets median performance. We agreed with ISS and voted against the proposal.

SS&C Technologies: May 11, 2022
ISS recommended voting against named executive officers' compensation for a number of reasons: 1) SS&C made a sizable cash payment to their former Chief Legal Officer upon his voluntary resignation, which is considered a problematic pay practice; 2) the annual bonus payout value was relatively large and entirely discretionary, lacking any payout formula or targets; 3) there is a lack of forward-looking goal disclosure and stock options are granted based on a target number of options instead of a target grant value, which is not common market practice and can lead to outsized equity grant values to executives; 4) the COO's total compensation was relatively high, exceeding the company's peer group CEO median pay. We agreed with ISS and voted against the proposal.

[2] ISS's Governance QualityScore is derived from publicly disclosed data and reporting on company governance disclosure, risk and performance. Scores indicate decile risk among relative index and region. Scores are calculated at each pillar by summing the factor scores in that pillar. Not all factors and not all subcategories have equal weight. For more information on ISS QualityScore, visit www.issgovernancce.com/solutions/qualityscore.

Tencent Holdings: May 18, 2022 (x3)
At the annual meeting:
ISS recommended voting against 1) the issuance of equity or equity-linked security without pre-emptive rights, and 2) the reissue of repurchased shares. We agreed with ISS that a vote against both proposals was warranted on the grounds that the aggregate share issuance limit is greater than 10% of the relevant class of shares, and the company did not specify the discount limit for share issuances under the general mandate.

At the extraordinary meeting:
The board of Tencent sought shareholder approval for directors to refresh the limit on the number of shares issuable under the share option plan of Tencent Music Entertainment Group. Under the scheme, the aggregate number of shares to be issued should not exceed 10% of the issued capital of the Tencent Music at time of approval (or refreshment). We agreed with ISS that a vote against the proposal was warranted on the grounds that: 1) Tencent Music could be considered a mature company, and the 10% limit is therefore too high, particularly given that no other positive features are were put forward; 2) the plan permits options to be issued with an exercise price at a discount to the current market price; 3) the potential for conflict of interests in the administration of the scheme (Directors eligible to receive options under the scheme are involved in the administration of the scheme and the administrator has the discretion over their awards).

Meta Platforms: May 25, 2022
ISS recommended voting against an advisory vote to ratify named executive officers' compensation. ISS pointed to several ongoing pay program and disclosure concerns: 1) The company's award determinations remain discretionary, and incentive programs lack disclosed performance metrics and quantified goals; 2) Disclosure around individual performance assessments is also poor, and the design allows for such considerations to have a potentially large impact on annual bonuses; 3) Executives again received very large equity awards that lack performance vesting criteria. Moreover, the CEO's and COO's security costs are exceedingly large. We agreed with ISS and voted against the proposal.

Alphabet: June 1, 2022
ISS recommended voting against amendments to the omnibus stock plan. They pointed out: 1) the three-year average burn rate is excessive; 2) the disclosure of change-in-control ("CIC") vesting treatment is incomplete (or is otherwise considered discretionary); 3) the plan permits liberal recycling of shares; 4) the plan allows broad discretion to accelerate vesting. We agreed with ISS and voted against the proposal.

Endeavor: June 13, 2022
ISS recommended voting against an advisory vote to ratify named executive officers' compensation. ISS argued total CEO compensation was very high due to the grant of significant equity awards, a majority of which was in the form of a one-time, performance-vesting restricted stock unit award. While the award is intended to be one-time in nature, the size of the award is considered to be outsized. Moreover, a portion of the time-vesting equity awards vested immediately upon grant. In addition, the base salaries and annual target bonuses for most NEOs were high, and NEOs received discretionary bonuses. We shared ISS's view and voted against the proposal.

Please contact the Cantillon Client Service team if you would like any further information.
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