

This document sets out the approach by William Blair & Company, L.L.C. and its wholly-owned subsidiary William Blair International, Ltd. (collectively “William Blair”) to responsible ownership, with regard to the guidelines set out in the UK Stewardship Code (the “Code”) published by the Financial Reporting Council (“FRC”) in July 2010. William Blair delivers active investment management to private clients, institutions and intermediaries. As well as management within funds, William Blair uses active asset allocation in managed portfolios to meet clients' diverse needs. Our funds and strategies cover a broad range of asset classes. We have a duty to act in the best interests of our clients and to protect and enhance the economic value of our clients' investments.

PRINCIPLE 1

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

Corporate governance and engagement are key aspects of William Blair's investment process. Upholding sound corporate governance standards is essential in order to protect and enhance the economic value of William Blair's investments. As such, where appropriate, we meet with the board and senior management of investee companies, and take appropriate action where we believe this will enhance the long-term value of our investments. For the most part, our engagement with companies is done privately as we believe this allows us to be more open and frank and achieves the greatest impact. Likewise, we generally do not favor public confrontation or debating issues in the media.

Our guiding principle as an organization is always to seek to act in the best long-term interests of — and seek value for — our clients. In line with this principle we will decide, on a case by case basis, whether our clients' interests are best served by engaging with companies as recommended by the Code or by the sale of the shares of underperforming companies.

There have been occasions where we considered more direct types of intervention to be the right course of action because our usual approach failed to achieve a desired outcome and we decided to retain our investment in the companies concerned. Where appropriate, we consider the views of other investors in deciding how to engage with companies most effectively in these circumstances.

William Blair has adopted and implemented specific voting guidelines designed to ensure that votes are cast consistent with our clients' best interests. We engage ISS, a subsidiary of MSCI Inc. (“ISS”), to ensure that votes are cast in an efficient and timely manner and in accordance with our policy. ISS is a specialist independent corporate governance service provider. Pursuant to our policies, William Blair votes in accordance with ISS recommendations unless our investment professionals determine the ISS recommendation is not consistent with our clients' best interests. In such cases, the investment professional's recommendation is reviewed by William Blair's proxy voting committee, which determines whether to accept or reject the recommendation.

The voting process and decisions made are ultimately under William Blair's control. With respect to external funds, however, third party managers have the option to independently manage the voting functions. Our full proxy voting policy is available upon request.

PRINCIPLE 2

Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

William Blair implements comprehensive conflicts of interest policy and code of ethics, both of which are designed to mitigate and manage conflicts or potential conflicts should they arise.

As a matter of best practice, our duty is to act in the interests of our clients when considering corporate governance and voting matters. Our policies are designed to ensure that the management of any conflict is carried out in such a manner that clients are not disadvantaged. In the event a conflict of interest is found to exist, William Blair will assess on a case-by-case basis and may vote on or depart from a policy with due consideration to the best interest of our clients and William Blair's own interest.

PRINCIPLE 3

Institutional investors should monitor their investee companies.

We extensively research and monitor the companies in which we invest and corporate governance is a key aspect of this investment analysis. Meetings with management of target companies are attended by each team in order to uncover effective board and committee structures and, where necessary, provide input on areas of concern. William Blair holds regular meetings with the management of investee companies to discuss strategic, operational and governance matters.

We believe our practices are in line with Principle 3 of the Code. Furthermore, under the Governance Code, companies are required to comply or explain their response to the relevant principles and note all explanations for non-compliance, as reflected in our voting process.

There may be occasion where we do not wish to be made insiders and we therefore expect investee companies and their advisers to ensure that information which could affect our ability to deal in the shares of the company concerned is not conveyed to us without agreement.

PRINCIPLE 4

Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

In line with the Principles, we consider that our primary duty to clients is to act in their best financial interests. We will consider intervening where we think it is likely to achieve a better financial outcome for the client. Engagement with company management is an important part of our investment process and intervention would be a natural extension of this approach where there are issues of concern to our investment professionals.

Alternatively, if we believe it is in the best financial interests of the client, we may sell the shares in a company rather than intervene. The appropriate course of action is at the discretion of our investment professionals.

We engage in a dialogue with the management of companies concerning their strategy, operational performance, governance and board composition, remuneration or other issues (including responsible investment issues) if we consider they will have a material impact on shareholder value. We believe that quiet, behind-the-scenes dialogue is usually a more effective and constructive approach to solving problems, avoiding the risk of damage to shareholder value caused by polarized public positions.

If behind-the-scenes dialogue with management has failed to achieve the desired outcome and we wish to retain the investment in the company concerned, we consider carefully whether taking further action could improve shareholder value. This action can take many forms, including holding additional meetings with management specifically to discuss concerns, or raising the matter with more senior management, non-executive directors (including its senior independent director or chairman), or the company's advisers.

Occasionally we may also work with other investors where we believe this is the appropriate course and will benefit our clients, and consistent with applicable legal constraints. In line with our low profile, we do not generally issue statements or campaign publicly on issues. We are also unlikely to requisition a shareholder meeting or submit a shareholder resolution other than in exceptional circumstances.

PRINCIPLE 5

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

If behind-the-scenes dialogue with management has failed to achieve the desired outcome and we wish to retain the investment in the company concerned, we consider carefully whether taking further action is likely to improve shareholder value.

Occasionally this may lead to working with other investors where we believe this will increase shareholder value. However we are unlikely to join public campaigns. The "acting in concert" rules may in some cases be a potential barrier that can prevent or inhibit collaboration with other investors, particularly across borders, as rules vary in different markets.

PRINCIPLE 6

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

William Blair considers proxy voting an important part of its investment process, and as such, seeks to vote all proxies on behalf of clients in accounts for which it has proxy voting authority. We seek always to vote in the best interest of clients. Our full proxy voting policy is available upon request. We vote at all meetings of UK-listed companies in which our clients hold shares. Outside the UK there are occasions where we choose not to vote. This is usually caused by our desire to retain the right to sell our shares in those countries in which share-blocking is applied (the prohibition of the sale of voted shares until the date of the relevant shareholder meeting).

We can produce detailed proxy voting reports, which are available to all clients for whom we have the authority to vote upon request. These reports detail the shareholder meetings held during the period in respect of securities held by our client and provide details on how the votes have been cast.

As institutional managers, we disclose our voting to the clients on whose behalf we vote. As fiduciaries, we believe this information is our clients' property, and it is their prerogative to disclose it more publicly should they wish. Moreover, in some cases public disclosure of client proxy voting records would be restricted as confidential information under investment management agreements with our clients.

PRINCIPLE 7

Institutional investors should report periodically on their stewardship and voting activities.

William Blair periodically reports on proxy voting decisions, engagement activities and findings to clients who request that information. We keep a record on voting activity and explanations as to the reasons for voting against management.

We intend to update this information as and when significant developments in our approach occur.

For further information please contact Tom Ross.

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