

Shareholder Rights Directive II (SRD II) Engagement Policy

June 2021

1. Introduction

Walker Crips Investment Management Limited (WCIM) offers a comprehensive range of services to suit individual investment needs. WCIM is a provider of execution only, advisory dealing, advisory managed and discretionary investment services focused on stock market investment and other financial instruments.

WCIM's aim is found in the vision "Making Investment Rewarding." WCIM's approach is client centric and its philosophy is based on meeting its clients' wishes, requirements and their appetite for risk in order to invest in what is suitable for them.

At WCIM we believe that effective stewardship and engagement benefit companies, investors and the economy as a whole. This document comprises our Shareholder Rights Directive II (SRD II) Engagement policy, which complies with the principles of the SRD II.

The SRD II aims to promote shareholder engagement and improve stewardship practices across the European Union (EU). The updated Directive, which has been implemented into domestic law in the United Kingdom, became effective as of 10 June 2019. The SRD II encourages long-term shareholder engagement and imposes transparency obligations on institutional investors (such as insurers and pension funds) and asset managers (such as investment firms providing discretionary portfolio management services) to the extent investments are made in shares traded on EEA regulated market, with the UK extending the requirements to include certain markets situated outside the European Economic Area (EEA).

This policy has been updated in accordance with the amended requirements as of 1 January 2021 and applies to shares traded on UK and EEA regulated market. We recognise that the shareholder engagement policies and practices in the non-EEA markets differ and it may not always be possible to engage effectively, but where engagement is possible, we aim to do so in accordance with this policy. The firm does not have an engagement policy on shares traded on comparable markets outside the EEA.

2. Shareholder Rights Directive II

2.1. Engagement policy disclosure

Under the SRD II, WCIM is required to disclose a shareholder engagement policy or provide a clear and detailed explanation why we are not.

Walker Crips Investment Management

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Walker Crips Investment Management Limited is authorised and regulated by the Financial Conduct Authority and is a member of the London Stock Exchange. Registered in England and Wales number 4774117.

In accordance with our disclosure obligations this policy provides information on how we:

1. Integrate shareholder engagement in our investment strategy;
2. Monitor investee companies on relevant matters, including:
 - a) Strategy;
 - b) Financial and non-financial performance and risk;
 - c) Capital structure; and
 - d) Social and environmental impact and corporate governance.
3. Conduct dialogues with investee companies;
4. Exercise voting and any other shareholder rights;
5. Cooperate with other shareholders;
6. Communicate with relevant stakeholders;
7. Manage actual and potential conflicts of interests in our engagement.

2.2. Annual disclosure obligations

As part of the SRD II's disclosure requirements, we will disclose annually via the website the following information, where applicable:

- The engagement policy's implementation;
- A general description of voting behaviour;
- An explanation of the most significant votes;
- The use of the services of proxy advisors; and
- How the firm cast votes in the general meetings of companies in which it holds shares unless these votes are considered insignificant due to the subject matter of the vote or the size of the holding in the company.

For the purposes of this policy, 'most significant votes' is defined as the size of our shareholding as a proportion of an issuer's total voting rights. Shareholdings of 3% or more of the issuer's voting rights will be considered significant votes and will be subject to annual disclosure on our website.

2.3. Annual disclosure on behalf of SRD institutional investors

The firm will disclose the following information, where applicable, annually where the firm invests on behalf of SRD institutional investors, whether on a discretionary client-by-client basis or through a collective investment undertaking.

An Institutional investor caught by the Directive is generally an undertaking carrying out the activity of life assurance and/or of reinsurance, provided that those activities cover life-insurance obligations, or an institution for occupational retirement provision. If you are unsure whether you are an institutional investor, please contact your investment manager at Walker Crips Investment Management.

The disclosure must include reporting on:

- How the investment strategy and its implementation comply with the mandate in place;
- How the investment strategy contributes to the medium to long-term performance of the institutional client's assets;
- The key material medium to long-term risks associated with the investments;
- Portfolio composition;
- Turnover and turnover costs;
- The use of proxy advisors for the purpose of engagement activities;

- The policy on securities lending and how that policy is applied to support the firm's engagement activities, if applicable, particularly at the time of the financial performance;
- Whether and how we make investment decisions based on evaluation of medium to long-term performance of an investee company, including non-financial performance; and
- Whether conflicts of interests have arisen in connection with engagement activities and how we have dealt with these conflicts.

The use of proxy advisors

WCIM does not use a proxy voting adviser.

Portfolio turnover and turnover costs

As required by the SRD II annual disclosure requirement, information on portfolio composition, turnover and turnover costs is provided, where applicable, as part of our periodic client reporting.

2.4. Integration of shareholder engagement in WCIM's investment strategy

WCIM manages investments across a wide range of financial instruments, principally managed by professionally qualified investment managers working as individuals or in teams. Each individual or team is responsible for maintaining close engagement in the relevant investments and, where these pertain to corporations, this will include the maintenance of relations with management and other shareholders. The level of engagement will tend to be proportionate to WCIM's significance as a shareholder and, thus, the scope of engagement will sometimes be limited where corporations are large relative to the size of WCIM's investment. However, in instances where WCIM has a significant shareholding the investment managers seek to maintain a significantly closer relationship with management and other shareholders, and will seek to exert WCIM's influence in a more material way. This occurs typically where WCIM is a relatively large investor in a relatively small company, or where WCIM has a specific expertise with respect to a company or industrial sector.

2.5. Monitoring Investee Companies

As part of WCIM's investment process, our investment management teams undertake detailed research and ongoing monitoring of the companies in which we invest in order to assess the potential for long-term returns. The investment managers and research analysts carry out analysis of potential investments and ongoing monitoring with particular focus on the investee company's strategy, performance and risk, strong commitment to governance and management quality. We may seek to integrate environmental, social and corporate governance (ESG) considerations into our investment process. The ESG review approach is applied to some of our existing investments and portfolios.

There are a number of areas within investee company's strategy that are taken into consideration, such as proposed acquisitions or disposals and business planning that may affect its value and risk.

A key element of the investment research is to build a better understanding of the investee's company balance sheet and anticipated financial performance, including long-term performance and capital structure.

At our periodic Investment Committee meetings, the investment teams and the Chief Investment Officer (CIO) review and discuss potential and existing investments.

Our individual investment teams may employ different styles and strategies when conducting monitoring or engaging with investee companies.

2.6. Engagement with Investee Companies

Before making an investment, the investment management team will research the investee company being considered. Whenever possible, the investment team will meet with company management with the aim of assessing certain indicators of possible future success, such as, but not limited to:

- Valuation of stock;
- Sustainability of the company's business model;
- Possible risks to the business and the sector;
- Likelihood of business growth;
- The company's alignment with its shareholders' interests.

Our investment strategy is such that our clients are invested across a variety of securities. Thus, our scope of engagement is often limited. In some cases, management is not made available directly but we may seek to influence management strategy through other stakeholders, such as via the company-appointed brokers. If we do have a chance to engage with investee companies, the engagement will be conducted by senior members of the investment teams, with proven experience and expertise.

2.7. Voting Rights and Voting Disclosure

WCIM's policy on voting rights is set out in the Terms of Service and Business which is provided to all clients.

Walker Crips Investment Management exercises its right to vote on the holdings of discretionary management clients. Decisions over corporate actions, including rights issues, take-overs, etc. will be made on the client's behalf if they give us discretion to manage their Portfolio.

While WCIM will adopt a transparent approach in all aspects of its engagement policy activities, in certain circumstances, we will refrain from making public disclosures where the availability of such information is considered not to be in clients' best interests.

2.8. Engagement and Cooperation with other shareholders

We recognise that there may be occasions where it will be appropriate to work with other shareholders to effect positive change. WCIM are willing to act collectively with other investors, however this will be considered on a case-by-case basis. Collaboration with other investors must always be conducted in compliance with applicable law and regulations.

In all circumstances, we will act in the best interests of the clients ensuring that we treat all clients fairly.

2.9. Conflicts of Interest

We take all reasonable steps to identify, mitigate and manage conflicts of interest between the firm and our clients, client versus client conflicts, individual versus client conflicts and intra-group conflicts to ensure we act in the best interests of our clients. WCIM's conflicts of interest's arrangements are outlined in the Conflicts of Interest policy. Conflicts of Interest disclosure statement is available on our website.

In identifying the conflicts of interest that may arise while providing clients with services and activities, WCIM will consider the following situations:

- Whether the entity or group entity is likely to make a financial gain or avoid a financial loss at client's expense.
- Whether a client is disadvantaged or makes a loss when a member of staff makes a gain.
- Whether a client makes a gain or avoids a loss while another client makes a loss or is disadvantaged.
- Whether the entity or a member of staff benefits at the expense of a group entity.

3. Review

This Engagement policy will be reviewed at least annually, and is available on WCIM's website.