

Kairos Investment Management Limited

Shareholder Engagement Policy

Introduction

Chapter 2.2B of the Conduct of Business Sourcebook (“**COBS**”) which forms part of the U.K. Financial Conduct Authority’s Handbook of rules and guidance, as amended from time to time (the “**FCA Handbook**”) requires that a full scope alternative investment fund manager, such as the Investment Manager, which is investing (or has invested) on behalf of investors in shares traded on a regulated market develop and publicly disclose an engagement policy that meets the requirements of COBS 2.2B.6R.

COBS 2.2B.6R gives effect to Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies, as amended by Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC (“**SRD**”).

Where the context requires, terms used in this Policy shall have the meaning given to them in the FCA Handbook.

The defined term “regulated market” has an extended meaning for the purposes of COBS2.2B.6R and this Policy and includes certain markets situated outside of the United Kingdom and the European Economic Area.

In respect of each relevant client of the Investment Manager (each a “**Client**”), this Policy describes how the Investment Manager:

- (1) integrates shareholder engagement in its investment strategy;
- (2) monitors 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) conducts dialogue with investee companies;
 - (4) exercises voting rights and other rights attached to shares;
 - (5) cooperates with other shareholders;
 - (6) communicates with relevant stakeholders of investee companies;
 - (7) manages actual and potential conflicts of interests in relation to the Investment Manager's engagement.

Consistent with the scope of the SRD, this Policy relates to the management of Client portfolios which invest in shares with a listing on a regulated market. The approach may differ with respect to portfolio investments other than these shares (such as fund of fund or fixed-income investments). For example, the investment strategy of certain Client portfolios does not tend to result in trading in listed companies on any regulated market. Accordingly, for these Client portfolios, although the Investment Manager supports the objectives set out within the SRD in respect of all investment strategies, the provisions are not always relevant to the type of investment strategy and trading currently undertaken by the Investment Manager for certain Clients.

Integration of shareholder engagement in the Investment Manager's investment strategy

The Investment Manager's engagement with companies, where applicable, is reflective of its belief that value for Clients is linked to thorough integrated research and understanding of long-term business fundamentals. Engagement approaches may differ by issue, asset class, portfolio and context and are considered by the Investment Manager as part of its overall approach to investment management. In particular, environment, social and governance

("ESG") issues, data and analysis are all actively evolving and likewise the Investment Manager's approach to engagement on this topic, which may vary by Client, will likely develop over time.

Monitoring of, and conduct of dialogue with, investee companies

Monitoring the companies in which the Clients invest is an integral part of the Investment Manager's investment approach. As an active manager, the Investment Manager is committed to conducting bottom-up, fundamental research where applicable (in addition, where applicable, to rigorous quantitative analysis and macro-level research) when pursuing investment opportunities for the Clients. The Investment Manager employs a team of research analysts that have worldwide reach and generate independent research on companies for the portfolio managers to use.

Corporate governance is one of the important factors that the Investment Manager considers when evaluating and monitoring investee companies for the Clients. Other examples of factors that the Investment Manager may take into consideration, where relevant, include business strategy, risk management, environmental and social concerns, compliance, culture and ethics and performance and capital structure.

The Investment Manager also has an internal evaluation process designed to analyse securities based on the ESG criteria it has established as part of its analysis. The Investment Manager believes that certain environmental, social and governance factors can be relevant and material to long-term business fundamentals, and therefore important to all investors. Relevant issues vary by sector, geography, asset class, and company context. Therefore, fundamental research that is tailored to different settings has potential to add meaningful value.

The Investment Manager may engage with companies in which a Client is invested and may receive reports on the performance of the relevant companies and in relation to other matters. The Investment Manager may or may not choose to liaise with an investee company, or their representatives, to discuss the performance of, and other issues relevant to, the investee company. However, in each case the Investment Manager will determine the relevant course of action based on the best interests of the relevant Client.

Exercise of Voting Rights

The Investment Manager will exercise voting rights on behalf of each Client in accordance with this Policy and the Investment Manager's "*Proxy Voting Policies and Procedures*" in relation to the exercise of voting rights, as this may be amended and updated from time to time. This policy is made available without charge on the Investment Manager's website.

In addition, the Investment Manager has procedures for:

- (1) monitoring of corporate events, where applicable; and
- (2) ensuring the exercise of the voting rights is in accordance with the investment objectives and policies of the Clients.

The Investment Manager will require that its Clients procure that any custodian, sub-custodian or depositary, will advise the Client and its delegates / service providers, including the Investment Manager of relevant corporate actions.

Proxy voting is a fiduciary duty of the Investment Manager and an integral component of the investment process. Proxy votes are valuable assets and the authority to vote proxies can be delegated or retained but the ability to vote should only be exercised in the best interests of the relevant Client, taking into account all the costs and benefits of voting or abstaining.

The Investment Manager shall ensure that the voting rights attached to instruments held by a Client are to be exercised, to the exclusive benefit of the relevant Client.

The Investment Manager will give due consideration to the investment objective and policy of the relevant Client prior to the voting of proxies or participation in a corporate event. Once a decision to vote or to participate in a corporate event has been made by the Investment Manager, the corporate event is monitored through to completion of the relevant action.

Co-operating with other shareholders and communication with stakeholders of the investee companies

Where relevant, the Investment Manager may or may not choose to liaise or co-operate with other shareholders in an investee company but will only take a course of action in conjunction with other shareholders of an investee company, if such course of action is determined to be in the best interests of the Client. In the event that the Investment Manager chooses to participate or vote in a corporate action, such as a stock split, dividend, merger and acquisition, rights issue or spin-off, it will participate or vote at all times in a manner consistent with this Policy and acting in the best interests of the Client.

Managing actual and potential conflicts of interest in relation to the Investment Manager's engagement

The Investment Manager maintains clear policies on matters of potential conflict that may arise in interacting with the companies in which the Clients invest, including such areas as outside employment or directorships by personnel of the Investment Manager and the giving and acceptance of gifts and other items of value. More generally, potential conflicts may arise for any asset manager that manages multiple client accounts with differing objectives, and the Investment Manager maintains a compliance programme aimed at monitoring and addressing these potential conflicts.

In respect of the exercise of voting rights, a potential conflict of interest may arise when voting proxies of an issuer that has a significant business relationship with the Investment Manager. The Investment Manager's policy is to base votes solely on the investment merits of the proposal.

Annual Disclosure

The Investment Manager will, on an annual basis, disclose how the shareholder engagement policy set out herein has been implemented, including: (i) a general description of voting behavior; (ii) an explanation of the most significant votes; (iii) reporting on the use of the

services of proxy advisors and (iv) where relevant, how each Client voted at general meetings of investee companies (where the relevant Client voted at such general meetings and such votes were not insignificant due to the subject matter of the votes or the size of the Client's holding in the investee companies).

A sample of the annual confirmation is set out in the Schedule to this Policy.

Annual Review

This Policy will be available free of charge on the website of the Investment Manager and will be reviewed annually by the Investment Manager, and more frequently, where required.

The Investment Manager will maintain a record of every voting right actioned or otherwise in order that it may respond to specific information requests from Clients or their shareholders in relation to specified issues.

Schedule

Sample Annual Confirmation of Compliance & Voting Behaviour

Confirmation

With respect to the ongoing operation of voting rights by the Investment Manager in respect of [*client name*], the Investment Manager confirms as follows:

- (i) The Investment Manager exercises voting rights in a manner that the Investment Manager believes is in the best interests of the Client and has done so in accordance with the Investment Manager's "*Proxy Voting Policies and Procedures*".
- (ii) A structure is in place to ensure that proxy voting is conducted in an appropriate manner, consistent with the relevant Client's best interest, and within the framework of its policy.
- (iii) It is the Investment Manager's policy generally to vote with management provided it views this as in the best interests of the Client.
- (iv) A record of all votes is maintained.

Kairos Investment Management Limited

6th November 2020