

Engagement Policy

June 2022

Introduction

We share a common investment philosophy, based on many years' experience in private equity, of long term, engaged, value-based investment, based on bottom-up in-house fundamental research. We believe premium returns are delivered through expertise, rigorous analysis, and an engaged, long-term view.

We undertake engagement in order to promote and contribute to wealth-creation, development and prosperity for our clients and the companies and economies in which we invest.

Engagement with companies is a key component of our investment process and our mission, which is to protect and grow our client's long-term capital by being responsible, patient and engaged stewards. This involves closely monitoring how each company operates with regard to all stakeholders as well as the environment and intervening where necessary.

1. What is engagement?

Engagement is the process by which investors leverage their position as shareholders to influence corporate decision-making and it involves structured, purposeful dialogue with companies.

We consider there to be two types of engagement:

- 'engagement for change' which is a purposeful dialogue to influence positive change, with defined objectives; and
- 'engagement for information' which forms part of investment research and company monitoring and is influential in communicating to companies what we consider important, in addition to building relationships and an understanding of companies' strategies and business practices.

Engagement is integral to our long-term investment thesis. The objectives of engagement are to ensure a better outcome for all stakeholders over the long term. We always engage with the companies in which we invest.

In addition to our regular dialogue with executive management of investee companies, we engage with non-executive board members, other shareholders, corporate advisers, key customers, suppliers, competitors and other market participants when appropriate, whilst also monitoring company announcements, financial statements and industry trends.

2. Why does engagement matter to our organisation?

Engagement is part of our responsibility as an investor of our clients' money and it enables us to ensure our investee companies act in the best interest of our clients, as well as other stakeholders and the environment. We believe that rigorous and long-term orientated analysis of investment opportunities and holdings, proactive exercise of shareholder rights, and engagement with boards and management, protects and creates value for our clients and other shareholders. We believe it is our responsibility to engage with other stakeholders and, where necessary, to support them in improving operations or governance.

3. What do we believe good engagement looks like?

We believe that engagement should be targeted at senior management or board level to achieve real and lasting change. We generally prefer a non-adversarial approach, as we have found that this results in better outcomes. We undertake engagement in a holistic way, whereby we discuss strategic, governance, environmental and social issues as part of the same agenda. Our engagements focus on the issues most relevant and material for the companies concerned and are linked to sustainable improvements in the value of our investments over the longer term.

4. How does engagement fit within our investment approach?

No company is introduced into the portfolio unless a member of the investment team has interacted with management and we typically meet with a company a number of times before its introduction into the portfolio. These meetings can be over the phone or at a conference but are often on-site visits to the company's premises. The topics and issues discussed with management include governance, risk management, historical operational performance, future investment plans, and reporting oversight as well as environmental and social responsibility principles.

Opportunities for engagement are identified pre-investment as part of our due diligence process.

We consider high-quality management to be a requirement for successful investing. We undertake regular dialogue with management of investee companies as part of our ongoing investment process.

5. How are companies monitored and selected for engagement?

Our in-house research includes on-site visits, management meetings, tracking of corporate news, and competitor analysis.

We invest in companies across different sectors so each company will face different environment, social and governance issues. Companies may be selected for engagement for change as a reaction to an event or arise as the investment team proactively identifies salient issues. It is the investment team's responsibility to communicate with the company and monitor the progress and outcomes. Engagements may lead to instantaneous results whilst others can take longer to bring change.

6. How is engagement undertaken?

We typically meet with a company several times before making an investment. We set our engagement objectives based on what we believe will protect and create the most value for the companies and economies in which we invest.

Depending on the circumstances, the engagement will be seeking to improve value, prevent value being destroyed, or recover value when we may not be able to find sufficient liquidity to sell shares. Engagement topics will be likely to include, but not be limited to corporate strategy, organisational complexity, corporate governance and remuneration, environmental and social issues, margin improvement potential, R&D cost allocation, capital expenditure allocation, asset utilisation, and investor relations.

When we are engaging for change, we pursue direct one-on-one dialogue with the management and boards of investee companies, in a series of face-to-face meetings and calls, with defined objectives

and an agenda. We also follow up in writing to confirm our understanding and any undertakings given by the company concerned.

7. What is the link to voting?

In determining how to vote, we apply our Voting Policy, which is available below. We consider and vote each proposal with the objective of maximising long-term investment returns for our clients.

We believe that the quality of management of a company is a pre-requisite to any investment. We generally look to support the management of the companies in which we invest. However, where proposals are not consistent with the interests of shareholders, we will vote against the relevant resolutions.

Where appropriate, we also seek to reflect the objectives of any on-going engagements in our voting actions.

8. How does Odyssean Capital LLP undertake collaborative engagement?

We deploy various techniques such as voting, meeting with management and boards and collaborating with other shareholders to protect and enhance shareholders' value.

Whilst we prefer to conduct our own individual dialogue with investee companies, we recognise that there may be situations where it may be beneficial to act collectively with other shareholders to engage more successfully with an investee company and/or effect change, for instance where our approach has not resulted in the satisfactory resolution of a concern. This would be considered if a material issue arose and in the Firm's view it was in the best interests of the clients to do so.

9. How are conflicts of interest relating to engagement handled?

Our Conflicts of Interest Policy underpins our commitment to acting in the best interests of our clients at all times. The policy aims to identify those conflicts of interest that may give rise to a material risk of damage to the interests of a client and summarises the procedures and measures to be followed in order to identify and manage any such material conflicts of interest.

In order to ensure that we vote in our clients' best interest and are not affected by conflicts of interest, we will vote in line with our Voting Policy.

Voting Policy

June 2022

Introduction

Odyssean Capital LLP has authority to vote its clients' holdings and has implemented this Voting Policy ("the Policy"), which reflects its fiduciary duty to vote in the best interests of its clients.

Voting is an integral part of our engagement with companies. We consider and vote on each proposal with the objective of maximising long-term investment returns for our clients.

Voting Policy and procedures

Voting clients' holdings

We receive notice of proxy voting from our Operations Team. The Investment Team is responsible for making voting decisions. In practice voting decisions are taken by the investment manager responsible for the security in question, in accordance with this Policy.

We endeavour to vote for all of our client's holdings. However, there may be circumstances when we are unable to vote, for instance when the proxy documentation is incomplete or delivered late to us by the Operations Team.

We carefully consider each resolution, taking account of the guidelines below which represent our normal voting practice. We do not utilise the services of an external proxy voting adviser.

We are committed to voting our clients' shares with thought, giving due consideration to the specific circumstances of individual companies and taking into account market-specific factors and the corporate context.

Voting guidelines

We believe that the quality of management of a company is a pre-requisite to any investment. We engage with management pre-investment and as part of the monitoring of an investment.

Resolutions which we will **automatically vote against**:

- Proposal to make political donations;
- Authority to allot shares >10% of issued share capital, where there is no immediate need to do so;
- Issuance of >10% of share capital without pre-emption rights;
- Resolutions that seek to remove or reduce shareholder protections.

The following proposals are typically **voted against**:

- Combination of roles: Chairman and CEO;
- Reappointment of non-Executive Directors who have served 10 years or more. We will vote against this resolution unless there is a compelling reason not to do so;
- Proposals to waive shareholders' pre-emptive rights to participate in a capital increase if the dilution potentially exceeds 10%;
- Changes in capital structure which add classes of shares or amendments to share capital which substantially dilute the voting interests of existing shareholders;
- Remuneration plans not aligned with shareholders' best interest;
- Variable pay not aligned with the long term business strategy
- Employee Stock Ownership Plans with substantial/excessive discount level applied to shares available under the plan;
- Elections of Board members when we have concerns over board composition/independence/competence (see above).

The following proposals are typically **supported**:

- Approval of financial statements, director and auditor reports (unless there is no statement of responsibility for accounts, an auditors' reporting responsibility and a statement of going concern);
- Discharge to the Board of directors and auditors;
- (Re-) Appointment of auditors (unless their independence is called into question);
- (Re-) Election of Directors. We prefer a board composed of a majority of independent non-executive members with a variety of experience and qualifications and sufficient diversity;
- Requirement that a certain percentage (up to 2/3) of Board's members be comprised of independent and unaffiliated Directors with relevant experience;
- Allocation of dividend unless the allocation is unusually low without an adequate explanation and the company retains cash on its balance sheet;
- Share repurchase plans up to 15% of authorised capital, unless it appears that a repurchase plan lacks a bona fide business purpose;
- Share capital increase by issuing new shares and/or taking convertible loans, up to 5% of authorised capital unless it appears that the increase lacks a clear and legitimate business purpose;
- Approval of director fees unless the amounts are excessive relative to other companies in the country or industry and to performance;
- Compensation and stock option plans that are reasonable and aligned with the interests of long-term shareholders;
- Confidential voting.

The following types of proposals are typically voted on a **case-by-case basis**:

- Appointment/re-appointment of Executive Chairman;
- Mergers, acquisitions and disposals. When done well, they can improve shareholders' value, if not they can destroy value;
- Executive/Director share option plans (we look for these to be aligned with the interests of long-term shareholders);
- Proposals to amend the Articles of Association.

Conflicts of interest

We will vote our clients' shares in their best interests. We recognise that we may have a **conflict of interest** in voting for our clients where (i) we have a personal relationship with participants in a proxy solicitation or a director or candidate for director or (ii) we otherwise have a personal interest in the outcome in a particular matter before shareholders. We acknowledge that the existence of a relationship of the type discussed above, even in the absence of any active efforts to solicit us with respect to a proxy vote, is sufficient for a conflict to exist.

In most instances and due to time constraints, it will be impracticable for us to disclose any conflict fully to our clients and to obtain our clients' consent. In order to ensure that we vote in our clients' best interest and are not affected by conflicts of interest, we will vote in line with this Policy and the voting guidelines set out above. Any proposal which involves discretion on our part will be agreed by the investment manager responsible for the investment in question and fully documented. To address conflicts of interest that arise, we will consider whether we are able to act independently with respect to the matter involved. If we determine that we are unable to do this, we will decline to act/vote.

Reporting

We provide reports on the exercise of voting rights to our client on a regular basis.