

Slater Investments Limited Engagement Policy

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Introduction and Scope

Slater Investments Limited (“Slater Investments”) is a strong supporter of the principles that are set out in the UK Stewardship Code (“the Code”). We believe that the Code is designed to promote better dialogue between shareholders and company boards, as it ensures businesses are set to create long-term shareholder value. Slater Investments fully complies with the principles of the Code as set out here.

We engage with companies both proactively and reactively, depending on the circumstance. We endeavour to respond to as many issues as we can; but on occasion must prioritise either by the size of holding or the severity of our concerns. In general, we focus on those companies where we have a significant shareholding as we believe it is here that we can add most value.

Although such discussions can vary widely by company and sector, our engagements tend to fall into three broad categories:

- **Strategic engagements** are meetings in which we learn about a company’s long-term strategy. These enable us to understand the board’s approach to overseeing and aligning governance practices with the company’s long-term goals.
- **Event-driven engagements** focus on specific resolutions—often contentious—or capital raises, take-overs, a leadership change or company crisis. In these instances, such as a proxy contest, we want to understand all issues before we vote.
- **Topic-driven engagements** are held to discuss matters that we believe can materially affect companies’ long-term values. These discussions are usually conducted with companies that we believe have a record of underperformance and/or gaps in corporate governance practices.

This policy sets out how we meet the requirements of the Shareholder Rights Directive and its scope covers all funds and portfolios managed by Slater Investments.

Integration of Shareholder Engagement

Stewardship activities, such as monitoring and engaging with investee companies, voting at shareholder meetings and reporting to clients, are undertaken by the Investment Committee and the Environmental, Social, and Governance (“ESG”) Committee. To ensure an integrated approach, regular meetings are held with investee companies (and meetings with potential investee companies), with representation or input from each team. The initial investment decision to buy shares in a company is likely to include, but not limited to, reviewing a company’s published materials, brokers’ research, and lastly, meeting with management. The groundwork that goes in at the beginning of the investment process, and the relationships with company management that are formed, creates the base from which our stewardship activities build. We seek to understand our portfolio companies’ businesses, their opportunities, and their risks. We then monitor a company and continue open and purposeful dialogue throughout the holding period. Slater Investments will proactively engage on any issue which may potentially affect a company’s ability to deliver long-term sustainable performance and value. In most

cases, when companies consistently fail to meet our expectations, we will actively promote changes. These might range from the formulation of a new strategy to the appointment of new directors. Further details are given below and can be found on our website. A summary of engagement activity is available upon request by contacting: ESG@slaterinvestments.com.

Monitoring of Investee Companies

A clear articulation of corporate strategy and capital allocation provides a clear sense of the direction a company intends to take. Regular and proactive monitoring, including open and dialogue with investee companies, enables us to determine whether the board is fulfilling its obligation to shareholders and, ultimately, whether an investment remains appropriate.

The Investment Committee monitors the share price of all investee companies daily. In addition, the team monitors all market announcements including daily market news, Annual Reports, other circulars and general meeting resolutions. The team's research methodology focuses mainly on the following areas: price momentum, value and long-term growth potential and positive news flow. The results of this monitoring process are reviewed at the weekly Investment Committee meeting, which allows discussion of any corporate governance issues that may arise.

In addition to the Investment Committee's monitoring efforts, the ESG Committee conducts ongoing monitoring of portfolio companies throughout the year, linked to the results cycle and other company statements. Companies are monitored against their own KPIs and occasionally the ESG Committee needs to seek additional information when following progress on issues where companies do not publish data. The ESG Committee also monitors press coverage of portfolio companies. Any new concerns or ideas are communicated to the Investment Committee.

Prior to investing in a new company, the Investment Committee meets with management of the company and, as a minimum, will meet with management and/or the Investor Relations department of larger companies following company results. A record of all interactions with companies is maintained.

The monitoring process may include:

- Engaging in specific discussions with companies on material topics, including: strategy, performance and non-financial matters (such as environmental, social and corporate governance factors; capital structures; board performance and understanding how boards are fulfilling their responsibilities; succession planning; remuneration; and culture); or
- Meetings with remuneration committee chairman (in particular where the company is reviewing its remuneration policy, or prior to general meetings where sensitive or contentious resolutions are being put to shareholders to vote on); or
- Corresponding with the company board (non-executive directors) in instances where issues have been raised with management, but where progress on these issues is inadequate.

To ensure success over the long-term, company boards must consistently maintain satisfactory standards expected of them by customers, shareholders and the reasonable expectations of employees, as well as acting responsibly towards society as a whole. We expect the boards of our investee companies to comply with the spirit and intent of the Code, or its equivalent in the relevant jurisdiction. It is incumbent on a company to explain the rationale for diverging from the Code's (or its equivalent) principles and, subject to this explanation, we will determine the appropriateness of a divergence on a case-by-case basis. On occasion, we may support resolutions that are not compliant with the appropriate code, which we believe are the right course. An explanation of the rationale of our thought process will be provided in those circumstances.

Dialogue with Investee Companies and Other Stakeholders

Slater Investments seeks close dialogue with its investee companies. On a case-by-case basis, discussions take place on price sensitive matters such as transactions, capital raisings, takeovers and changes in management. The point of contact is always the Fund Manager (Mark Slater and/or Ralph Baber), who will then share with only those deemed necessary at Slater Investments. We always require a clear idea of when we will be released from being insiders and when the information will be made public.

Appropriate procedures are in place to manage such information, including a register of all inside information (maintained independently by Slater Investments's compliance department). Slater Investments will engage on any issue that may potentially affect a company's ability to deliver long-term sustainable performance and value to our clients.

Issues may include, but are not limited to:

- Business strategy
- Performance
- Financing and capital allocation
- Governance
- Risk
- Management and employees
- Acquisitions and disposals
- Operations
- Internal controls
- Membership and organisation of governing structures and committees
- Sustainability
- Remuneration policy, structures and outcomes

- Culture
- Environmental and social responsibility
- Quality of disclosure

The engagement approach taken by the Investment Committee and ESG team will be issue-specific. Methods of engagement include, but are not limited to:

- Increased frequency of meetings with the company's management team
- Discussions with the company's corporate advisers
- Meetings with chairman or senior non-executive director
- Proposing solutions to the issue or as a last resort proposing changes to the board members
- Voting against board proposals at the annual general meetings
- Requisitioning an emergency general meeting and seeking support from other shareholders
- Making public statements should we believe that it is necessary to protect interest and value for other clients

Wherever possible, we seek to achieve our objectives by agreement and in a confidential manner. However, we are prepared to publicise issues by taking them to the national press, or engage in a social media campaign or support the requisition of a meeting, or requisition a meeting ourselves, to enable shareholders as a whole to vote on matters in dispute.

The prioritisation of Slater Investments resources is based on a range of factors, including the materiality of an issue and the size of Slater Investments holding. Our focus will be on issues that are likely to be material to the value of the company's shares. As a general rule, where Slater Investments holding is a small fraction of the company's total capital, or a small fraction by value of a fund or portfolio, there will be proportionately less resource applied to engagement (reflecting the reality in the former case that Slater Investments influence is less significant).

We would always seek to discuss any contentious issues before casting our vote, to ensure that our objectives are understood. We monitor progress of engagements against identified objectives on a periodic basis. To Slater Investments, confrontation with boards at shareholder meetings represents a failure of corporate governance.

Escalation is normally conducted by the Investment Committee and/or ESG Committee, and may involve meeting with the company's Chairman and/or senior independent director, the executive team, other shareholders and/or company advisers. Focused intervention will generally begin with a process of enhancing our understanding of the company's position and communicating our position to the company. This might include initiating discussions with the Chairman and/or the company's advisers. We may also speak to senior independent directors or other non-executive directors and other shareholders. The extent to which we might expect change will vary, depending on the nature of the issue. In any event, we expect companies to respond to our enquiries directly and in a timely manner.

Slater Investments also regularly engages with other stakeholders including trade bodies, policymakers and Non-Governmental Organisations (“NGO”) such as the Financial Conduct Authority (“FCA”), Financial Reporting Council (“FRC”), The Investment Association, Task Force on Climate-related Financial Disclosures (“TCFD”) et al. These interactions follow the same procedure and use many of the same methods as our interactions with companies. As such they are logged and tracked by the ESG team. We may engage with policy makers or NGOs for a variety of reasons, for instance to increase our understanding or to influence and feed into the legislative landscape as a responsible investor.

Exercise of Voting Rights

Generally, Slater Investments has a policy to vote by proxy at all general and extraordinary meetings of companies where it is invested. Where the matter is particularly contentious, a Slater Investments’s representative may be present. We do not delegate voting to any third party.

For each portfolio company meeting, the matters to be voted on are assessed internally. Slater Investments will usually vote in favour of company management except in cases where we feel that a company is not acting in the best interests of its shareholders. In these cases, Slater Investments will vote against resolutions.

There are times when engagement with management fails and, at this stage, it would normally be Slater Investments policy to sell the investment. However, Slater Investments is prepared to intervene actively by changing management either through the Chairman or the senior nonexecutive director or as a last resort by calling an General Meeting. The latter is likely to happen in extreme cases.

We disclose our quarterly voting summary on our website, which is available on our website: <https://www.slaterinvestments.com>. Additionally, our segregated client mandates’ quarterly reports include a list of every resolution and how we have voted.

Currently no stock lending is undertaken, which means that all shares are available for voting.

We do not have specific policies for informing companies in advance of our voting intentions but will do so if we feel this is the best action to undertake.

Shareholder Cooperation

Slater Investments is willing to act collectively with other UK and overseas investors where it is in the interests of our clients to do so. We endeavour to maintain good relationships with other institutional investors and support collaborative engagements organised by representative bodies (Slater Investments is a member of the Investment Association) and

others. A range of factors are considered in deciding whether to collectively act with other shareholders including, but are not limited to:

- Whether we can be more effective in our engagement unilaterally or collectively
- The extent to which the objectives of other investors are aligned with our own, and
- The potential sensitivity of the issue and the extent to which conversations with the company are confidential

Conflicts of Interest

It is a fundamental requirement for a financial services firm such as Slater Investments to act in the best interests of its clients and/or its beneficiaries, and to identify and manage conflicts of interest. This is central to our duty of care. Accordingly, it is important for our clients to know that Slater Investments will take appropriate steps to identify conflicts, manage them effectively and treat our clients fairly.

Slater Investments has an established a Conflicts of Interest Policy to manage any actual and potential conflicts of interest relating to our advocacy, engagement or voting activities on behalf of the funds and portfolios. This is available in the Policies section of our website: <https://www.slaterinvestments.com>.

The staff of Slater Investments are required to complete annual mandatory conflicts of interest training to ensure they understand all conflicts of interest that arise by virtue of the roles they perform. Staff members are aware of the process for identifying and reporting potential and actual conflicts so that they can be managed in an appropriate manner.

In identifying the conflicts of interest that may arise when providing services to our clients, Slater Investments will take into account the following:

- Whether Slater Investments is likely to make a financial gain, or avoid a financial loss, at a client's expense (firm versus client conflict)
- Whether a client is disadvantaged or makes a loss when an employee or other person connected to Slater Investments makes a gain (individual versus client conflict)
- Whether a client makes a gain or avoids a loss where another client makes a loss or is disadvantaged (client versus client conflict)
- Whether Slater Investments, an employee or a fund or portfolio benefits at the expense of another (intra group conflict)

Any conflicts that arise from personal activities of employees (for example, outside appointments, involvement in public affairs, and personal investments) are also closely monitored and managed.

On occasion, we may encounter conflicts of interest related to our stewardship activities. It is incumbent on all investment professionals and members of the Compliance and Risk Committee to identify and manage such conflicts, in line with the Slater Investments Conflicts

of Interest Policy. In all such instances, our objective is to ensure that these conflicts are identified and managed appropriately, to ensure our clients' best interests are served.

Reporting and Disclosure

Slater Investments regularly reports on its activities through annual reports, semi-annual updates, the Stewardship Report and the United Nations Principles for Responsible Investment's Annual Transparency Report. Quarterly voting records are available in the footer section of our website: <https://www.slaterinvestments.com>.

How to contact us

If you wish to contact us, please send an email to ESG@slaterinvestments.com, write to: The ESG Team. Slater Investments Limited. Nicholas House, 3 Laurence Pountney Hill, London. EC4R 0EU or call 020 7220 9460.

Do you need extra help?

If you would like this Policy in a more accessible format (for example audio, large print, braille) please contact us (see above '**How to contact us**'). Please tell us what format you need.

Slater Investments Limited

July 2023