

Shareholder Rights Directive II (SRD II) Engagement Policy

Introduction

Cerno Capital Partners LLP's ("Cerno" or the "firm") has long supported the UK's Stewardship Code which aims to provide transparency in terms of how investment managers engaged when they invest in any shares traded on a regulated market.

The firm have now also adopted the requirements of the Shareholder Rights Directive II (SRD II) which adds further disclosure requirements in order to ensure effective stewardship and long-term investment decision-making through the enhancement of the transparency of shareholder engagement policies and investment strategies.

This Engagement Policy sets out how Cerno will approach the stewardship of any shares traded on a regulated market, including certain markets situated outside the European Economic Area (EEA).

Disclosures

Pursuant to the SRD II requirements Cerno has considered the following:

- i. How shareholder engagement is integrated into its investment strategies
- ii. Exercises voting rights and other rights attached to shares.
- iii. Cooperates with other shareholders.
- iv. Conducts dialogue with investee companies.
- v. Communicates with other stakeholders of the investee companies.

In relation to the above Cerno's general policy is not to vote on AGM or EGM resolutions and corporate actions unless it is in the best interest of its clients by protecting or enhancing shareholder value and only when the size of the holding is material to the outcome to the resolution or outcome. Therefore, normally Cerno will not generally exercise voting rights or co-operate with other shareholders.

In circumstances where Cerno does engage, subject to the best interest of its client, Cerno has the general policy of voting with management.

- vi. Monitors Investee firms.

Where Cerno's investment teams invests in listed equities on behalf of its clients it seeks to invest in investee companies that are well managed and operate an appropriate culture to enhance long-term shareholder value. To identify these investments factors such as company results or strategy changes, are monitored periodically reviewed.

- vii. Manages actual and potential conflicts of interest in relation to the firm's engagement activities.

As stated above Cerno's engagement policy is driven by achieving the best interest of its clients and therefore will seek to minimise and mitigate conflicts of interest wherever possible. Cerno's Conflicts of Interest Policy can be found in its website.

Annual Disclosures

Cerno, where applicable, will make annual disclosures available detailing regarding how it has voted in the general meetings of companies in which it holds shares unless such votes are considered

insignificant due to either the subject matter of the vote, or the size of the holding in the company. Cerno will also disclose if it has used a proxy service.