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**STATEMENT IN RELATION TO THE SHAREHOLDER  
RIGHTS DIRECTIVE II**

*May 2022*

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## 1 Introduction

Under the Shareholders Rights Directive (“**SRD II**”), a firm that provides portfolio management services for clients and invests in shares of companies with a registered office in the UK, and whose shares are admitted to trading on a UK regulated market (or on a comparable market outside the UK), must:

1. develop and publicly disclose a policy detailing its shareholder engagement; and
2. publicly disclose on an annual basis how its engagement policy has been implemented.

The FCA has set out its implementation of SRD II rules, in chapter 2.2B of its Conduct of Business Sourcebook (“COBS”)

This policy sets out Westbeck Capital Partners LLP’s (“Westbeck’s” or the “Firm’s”) approach to shareholder engagement.

## 2 SRD II and the FRC Stewardship Code

The UK Stewardship Code (the “**Code**”) was established by the Financial Reporting Council in 2010. UK authorised asset managers have been required under the rules of the Financial Conduct Authority to produce a statement of commitment to the Code or to explain why it is not appropriate to its business model.

Unlike SRD II, which applies to investments in listed equities globally, the Code focuses on investments in UK companies only.

The Firm’s response to the Code detailed in a separate statement, which is available via the Firm’s website <https://www.westbeckcapital.com/>

## 3 Engagement Policy

### Integration of shareholder engagement within investment strategy, ongoing monitoring and dialogue with investee companies.

Westbeck fully supports the purpose of SRD II and regular dialogue with investee companies is a key component of our investment process and helps develop our knowledge of the investee’s business strategy, financial and non-financial performance, future prospects, attitude to risk, capital structure, board cohesion and corporate governance (including culture and remuneration) as well as management of environmental, social and governance issues.

Stewardship considerations are an integral part of our investment process. We record all interactions with investee companies and the investment team considers each investment on a regular basis. In this way we seek to ensure the investee board and management comply with relevant governance codes.

Westbeck is of the firm opinion that continuous and effective monitoring of investee companies is a fundamental responsibility of an asset management firm. We monitor a comprehensive range of information from financial analysis of publicly available information, market intelligence from industry sources, broker research, fundamental analysis and meetings with the board and senior managers. All relevant information is recorded and analysed as part of Westbeck’s pre and post investment process.

Dialogue with investee companies allows us to convey our views on our investment and, where necessary, we will intervene by raising our concerns with the board and its representatives. In the exceptional circumstances outlined below we may engage with other investors to raise our mutual concerns. We acknowledge that investee company management may have more information at their disposal and that may justify variance from relevant governance codes and practices. However, should our concerns remain unresolved, it may sufficiently alter the original investment hypothesis such that we decide to sell or reduce our investment.

We endeavour to exercise proxy votes at all shareholder meetings where we are authorised to by our clients. Where so authorised, our investment managers make voting decisions based on our knowledge of the investee company and the dialogue described above. We may also refer to independent research from voting advisory services in reaching a voting decision.

#### Communication with stakeholders and cooperation with other shareholders

Westbeck meets the management of its investee companies regularly as part of its investment process. We see these meetings as a key element in discharging our stewardship responsibilities. We challenge management on their delivery of corporate strategy, financial and non-financial performance or risk, allocation of capital and management of environmental, social and governance issues.

In addition to executive directors and heads of relevant business lines, Westbeck engages with other executives as available. Westbeck also engages with board directors, either as part of a regular dialogue or to raise and escalate issues of concern.

Whilst Westbeck's approach to investment management and engagement does not typically involve communication with stakeholders of companies other than those noted in this policy, it is open to monitoring concerns of other key stakeholders as necessary, including those of customers.

Westbeck has sufficient expertise and knowledge of investee companies to deal with any concerns that we might have about the investee company's business activities, strategy or corporate governance. In most cases we would expect to engage with the board on our own initiative or we may decide to dispose of or reduce our holding. However, in certain circumstances, where we believe the issue is of significance and wish to retain our holding, we recognise that collective action with other shareholders may be more effective. This will be dealt with on a case-by-case basis, and with due regard to our policies on conflicts of interest and inside information.

We will only act collectively where we are satisfied it will not breach legal, regulatory, market conduct or confidentiality obligations applicable. Any collective action will only be used to raise legitimate concerns about corporate issues and/or governance issues. The actions may include discussions with other shareholders about concerns to be raised with the board, joint representations by shareholders to the board and agreement between shareholders to vote in a specific way.

#### Exercising voting and any other shareholder rights

Westbeck aims to exercise proxy voting rights on behalf of our clients for every investee company regardless of geographic location. The voting decisions are based on in-depth research and knowledge of the investee company. We believe that exercising voting rights is an important responsibility of institutional shareholders and helps improve corporate governance standards and holds management to account.

Westbeck will draw its own conclusions based on its knowledge of the investee company and will vote based on those conclusions, which may be in opposition to the investee's board. If appropriate, we would seek to engage the board prior to voting to explain our conclusions and resolve differences of opinion.

#### Managing actual and potential conflicts of interests

Westbeck is authorised and regulated by the Financial Conduct Authority, which requires firms to identify, and mitigate any conflicts of interest between itself, its clients, and between clients that may result in a loss to them. We maintain a conflicts of interest policy and register to satisfy this requirement, which is subject to regular

management review. The Firm consider carefully any associated conflicts of interest risks and ensure these are addressed and managed appropriately in accordance with its conflicts of interest policy.

We act as investment managers with a fiduciary responsibility to act in the best interest of our clients. We do not undertake any other business activities that might give rise to a conflict of interest.

#### Other relevant policies

Westbeck maintains a Proxy Voting Policy and Conflicts of Interest policy in line with the above which are available upon request.

## 4 Annual Disclosure and Transparency

Westbeck will annually disclose on its website:

1. a general description of its voting behaviour, including an explanation of the most significant votes; and
2. how the Firm has cast votes in the general meetings of companies in which it holds shares, although it is not required to disclose votes that are insignificant due to the subject matter of the vote or the size of the holding in the company.

As Westbeck may also invest on behalf of occupational pension schemes, it will also disclose, where appropriate, on an annual basis to such clients how its investment strategy and its implementation contributes to the medium to long-term performance of the Fund. The Firm will ensure to include reporting on:

1. the key material medium to long-term risks associated with the investments;
2. portfolio composition;
3. turnover and turnover costs;
4. the use of proxy advisors for the purpose of engagement activities;
5. whether and, if so, how, the Firm makes investment decisions based on evaluation of medium to long-term performance of an investee company, including non-financial performance; and
6. whether and, if so, which conflicts of interests have arisen in connection with engagement activities and how the firm has dealt with these conflicts.

Westbeck will make this information, where applicable, available via the annual report.

## 5 Contact

For further information on the Firm's approach to shareholder engagement, please contact Chude Chidi-Ofong (CCO), via e-mail at [cchidiofong@westbeckcapital.com](mailto:cchidiofong@westbeckcapital.com)