

UK Stewardship Code

The UK Stewardship Code is overseen and published by the Financial Reporting Council (“FRC”), an independent regulator overseeing financial reporting, accounting and auditing and corporate governance. The Code sets the benchmark for institutional investors to meet ownership obligations in respect of UK companies, and the FRC requires it to be applied on a ‘comply or explain’ basis, meaning that where a firm chooses not to comply with a particular principle in the Code, it is still compliant with the overall Code where this is properly disclosed and explained. As an investment manager authorised and regulated in the UK, we are required by the rules in the Financial Conduct Authority (“FCA”) Conduct of Business Sourcebook (COBS) 2.2.3R to make a public disclosure in relation to the nature of our commitment to the UK Stewardship Code. Whilst B-FLEXION Advisers (UK) LLP adheres to the highest standards of corporate governance and due diligence in respect of its investments, it does not comply with the Code due to the fact it does not invest in equities. Consequently, the Code is not directly relevant to the type of activity undertaken by B-FLEXION Advisers (UK) LLP. Should any of the above change, B-FLEXION Advisers (UK) LLP will review its commitment to the Code.

Shareholder Rights Directive II Disclosure

The EU Directive (EU) 2017/828 (“SRD II”) was implemented in the UK on 10 June 2019. The objective of SRD II is to encourage long-term shareholder engagement with investee companies regarding performance on strategy, governance, environmental and social issues.

B-FLEXION Advisers (UK) LLP is required to either develop and publicly disclose an engagement policy which complies with the requirements and publicly disclose on an annual basis how that engagement policy has been implemented in a way that meets the requirements (including disclosure of certain voting activities in respect of shares in investee companies) or to publish a clear and reasoned explanation of why we have chosen not to comply with any such requirements. For entities regulated by the UK Financial Conduct Authority (“FCA”), the requirements apply with respect to investee companies whose shares are admitted to trading on a regulated market in the European Economic Area (“EEA”), which the FCA regards as including overseas companies with a secondary listing in the EEA. On this basis the FCA is extending the SRD II requirements to investee companies whose shares are listed “on a comparable market outside the EEA”.

B-FLEXION Advisers (UK) LLP is considered an Asset Manager under SRD II and is required to comply with SRD II, as implemented and enforced by the FCA. B-FLEXION Advisers (UK) LLP does not invest in assets such as shares of companies traded on a regulated market and has determined that it is not necessary or appropriate to adopt an engagement policy for the purposes of SRD II. B-FLEXION Advisers (UK) LLP shall periodically review its investment strategies and those of its appointed investment managers to determine whether its investment activities have changed to the extent that it should adopt an engagement policy under SRD II.