

MITON GROUP PLC STATEMENT OF COMPLIANCE

Miton Group plc (“MGR”) is the parent company of Miton Asset Management Limited and Miton Trust Managers Ltd who between them manage a range of institutional funds. As an institutional investor MGR supports the principles of the UK Stewardship Code (“the Code”) and recognises the importance of effective engagement with the companies in whom we invest on behalf of our clients. Wherever practical we incorporate adherence to the principles of the Code into our investment management processes. This statement describes the collective approach covering all of the funds we manage.

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

We set out below the details of how we discharge our stewardship responsibilities and the extent to which we comply with the principles of the Code, including how we monitor our investee companies and our strategy on interventions. Where the funds we manage invest in overseas holdings we apply the principles of the Code on a best endeavours basis.

We monitor Board resolutions through the use of the ProxyEdge or appropriate alternative electronic voting services, but do not make use of standing instructions or third party recommendations. Voting decisions are made independently according to our assessment of the best interests of our clients.

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

We have in place a group conflicts of interest policy that is regularly reviewed to identify any potential conflicts of interest and provides for their mitigation, including those that may occur in relation to our stewardship responsibilities. A copy of the policy is available on our website.

Principle 3: Institutional investors should monitor their investee companies.

We endeavour to identify problems at an early stage. Monitoring of company performance and activity is regularly carried out through our internal fund managers’ due diligence process drawing on independent broker research, press coverage and direct investee company meetings.

We will view Board structures, independent or otherwise, review the CVs or biographies of Board members, to satisfy ourselves of the effectiveness of the investee company’s board and committee structures and discuss with the company brokers any issues arising.

Given the number of positions held and the resources available, we do not usually attend General Meetings, finding one on one private meetings to be far more productive than those held in a public arena.

We would typically only become involved with investee company boards, if, through our general due diligence, we found that the Company’s directors are not working in the interests of shareholders. We generally prefer not to be made insiders if this is likely to entail a protracted period that would restrict our ability to trade in a company’s shares.

Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

We would generally only intervene where performance was poor and/or we felt a Board or individual directors are either conflicted or are not acting in the interests of shareholders. In the first instance we would discuss our concerns with the designated senior director or Chairman and subsequently use voting powers if our concerns have not been assuaged.

We would hold meetings first with management and then contact the company’s advisers and escalate to Board

level only if we felt that our concerns were not being taken seriously or addressed satisfactorily. It is unusual for us to meet with Non Executive members of the Board unless we have serious reservations on the level of competence of senior managers or wish to express views directly on matters of corporate strategy.

Whilst it is unusual for us to intervene, we will discuss our concerns with major shareholders to gauge how much influence we may be able to exert. We have, on occasion, worked with other institutions where we have felt that there may be a requirement to call a GM or vote against stated policy or reappointment of directors. We would only requisition a GM in very extreme circumstances when other dialogue has been exhausted or where we felt immediate action was required to protect shareholder (and our clients') interests.

We are unlikely to make a public statement ahead of a GM/AGM, preferring to work together behind the scenes to affect change and would generally only submit resolutions to shareholder meetings in very extreme circumstances, preferring to support other shareholders rather than putting forward specific resolutions ourselves.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.

We would (and have) worked together with other investors to try to effect change. Following dialogue with other major shareholders to establish a common view we would then contact the company to let them know, prior to any AGM or GM, of any action or voting intentions we may have agreed.

Interaction with other shareholders will only be undertaken if we are satisfied that such collective engagement will not contravene any of our regulatory or legal obligations and on the basis that we shall maintain proper standards of market conduct. We will take all necessary steps to avoid being involved in a concert party and will not enter into discussions with other shareholders if their purpose is to acquire control of the company.

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

We assess each voting opportunity individually. The decision will be made by the lead Fund manager for each client and in the main we will vote only in cases where we believe our client's interests need to be protected. We do not always support the Board and have on occasions voted against decisions recommended by a Board or against the re-election of Board members.

We will publish summary information of our voting activity on our website, except in situations where we believe that confidentiality may be required. More detailed information is provided to our clients as part of our periodic stewardship reporting.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

We report to our clients on how we have discharged our stewardship responsibilities. The content and frequency of reporting is as agreed between ourselves and our clients.

For further information regarding our policy, please contact:

- Roger Bennett, Company Secretary and Head of Governance at Miton Group Plc
Paternoster House, 65 St Paul's Churchyard, London, EC4M 8AB or roger.bennett@mitongroup.com

Important Information

For a full list of the members of the Miton Group plc and details of the registered office for all group companies are on www.mitongroup.com/index.php/corporate/shareholder-information.