Statement of Compliance with the Stewardship Code and Engagement Policy

Seneca Partners Limited ("SPL") acts as discretionary investment manager for a range of funds according to agreed investment mandates.

Whilst primarily we invest in UK non-listed companies, we may on occasion invest in listed companies and we will endeavour to treat non-listed quoted companies in the same manner as listed companies in this policy.

This statement describes the collective approach covering all of the funds we manage. It sets out how SPL complies with it's duties under Financial Reporting Council's UK Stewardship Code and also COBS 2.2B SRD requirements.

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. We also describe how we comply with COBS 2.2B.6.

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

Meetings

We aim to meet the management of all our investee companies and funds at least once a year. Meetings notes are slated for discussion in our investment meeting attended by the investment team. The level of accessibility to the management team that we can reasonably expect is one of the many factors we have to take into consideration when deciding whether to make an investment. Any dis-satisfaction (or praise) we have with the companies in question would be directly raised in these meetings. If a meeting is not likely to be held then, as appropriate, we will look at how to engage with the management team. This may include attendance at shareholder presentations, telephone calls or other communication.

We are satisfied that such strategy demonstrates how we engage in dialogue with investee companies under COBS 2.2B.6 (3).

Voting

We note that under COBS 2.2B.6 (4) we must describe how we exercise any voting rights attached to shares. Our position in respect of voting is covered in this section and also Principle 6 (below).

The level of our engagement in respect of exercising voting rights would be dictated by our relative influence within a company.

In examples where our investment is immaterial to the investee company and where our influence is likely to be limited then the level of our communication is inevitably reduced. However, where there is a highly contentious issue, for example on inappropriate management pay then we would communicate our dis-satisfaction via the appropriate venue.

We do not make use of standing instructions or third party recommendations. Voting decisions are made independently according to our assessment at that point in time of the best interests of our clients.

Value to our clients

Active engagement is appropriate to ensure our investee companies are conducting themselves in a manner that gives value to our clients and that of the wider community. Where we feel a company is conducting itself in a manner or running an operation that gives no apparent benefit to investors or wider society then we would not seek to maintain an investment. If we are in a position to influence behaviour, by means of the size of our investment, then we will seek to do so. However the level of engagement has to be considered in terms of what is likely to be achievable and what benefit and value will be achieved for our investors. We believe that such a position helps us to integrate engagement as a shareholder with investment strategy as directed by COBS 2.2B.6 (1). Ultimately, we need to ensure engagement including division of resources mirrors the expectation of investors.

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 conflicts of interest policy that is freely available on our website (www.senecapartners.co.uk). The policy describes how we ensure we manage conflicts fairly and in the best interests of our clients. Due to the nature of our business, the main types of conflict we are likely to encounter are those between the interests of SPL or its employees and the interests of clients (firm and client) and conflicts between clients (client and client). All SPL individuals are responsible for identifying any actual and potential conflicts and notifying these to the Compliance Department. The Compliance Department maintain a conflicts register detailing the systems, controls and procedures that are in place to manage the conflicts identified.

As part of the identification process, employees are required to disclose details of directorships and interests in other companies. The register is provided to the Board for review and challenge. We acknowledge that it may not be possible to prevent conflicts of interest from arising and ensure that we put in place robust procedures to manage those conflicts. These are then monitored by the Compliance Department as part of the risk based compliance monitoring programme, the results of which are reported regularly to the Board. Breaches of policies or procedures used to manage conflicts would be escalated to the Board without delay.

Other Possible Conflicts

Other potential conflicts that have been identified in relation to our stewardship responsibilities are covered in detail in the policy: aggregation and allocation of client orders and personal account dealing (SPL does not have permission to deal on its own account).

We believe that the above demonstrates our management of conflicts as noted by COBS 2.2B.6 (7).

Principle 3 Institutional investors should monitor their investee companies

We ensure that we monitor investee companies and this section confirms our position in respect of the Code and also COBS 2.2B.6 (2)

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 broker research, press coverage and direct investee company meetings. We will view Board structures, independent or otherwise, review the CVs of Board members, to satisfy ourselves of the effectiveness of the investee company's board and committee structures and discuss with the company any issues arising.

Given the number of positions held and the resources available, we would not attend every General Meeting held by an investee Company, finding one on one private meetings to be far more productive than those held in a public arena. However, we may look to attend online investor presentations (where available) as these will often provide information which aids us to establish the current health of investee companies.

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.

Issues of particular interest

When investee companies are seeking to raise capital we explore in depth the rational for doing so, the costs involved and whether alternative routes to financing have been explored. If we feel the costs associated with equity or debt financing are unwarranted then we will communicate accordingly and if necessary vote against resolutions. Management and performance fees, are an area of focus, in terms of levels and timing of payment. Dis-satisfaction will be raised in the first instance with the company and/or the nominated house broker. If we feel the board is not displaying sufficient levels of independence then we will raise the matter with the chairman or senior non-executive director. If we continue to be unhappy then we would consult with other shareholders and seek to remove any directors we felt were not discharging their duties appropriately.

In circumstances where an investee company may encounter difficulties, we would engage in constructive meetings with the management and the board, propose a course of action or appraise suggestions on a course to recovery. Any requests for further capital would be considered in the context of the likelihood of a sufficient return on that capital, thereby rewarding our investors for the level of risk involved.

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 a 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 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. 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.

Occasions of escalation and intervention

Our policy of intervention will always be considered on a case-by-case basis, with reference to the size of our investment, the scope to co-operate with other shareholders, the likelihood of success and whether a successful outcome would give suitable reward to our investors. Our method and strategy in each case will be discussed by the investment team with input from the CIO, the fund manager with research responsibility on the specific investment would take the lead in implementation of our intervention.

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

This section confirms our position of cooperating with other shareholders in compliance with COBS 2.2B.6 (5).

We would work together with other investors to try to effect change. Initial communication and action would be investigated on an individual basis however if this proved unsuccessful then we would seek to involve other shareholders. Subject areas where we would become exercised would include (and not be limited to) changes to investment objective of investee companies, continuation votes, adherence to discount control mechanisms, independence of boards, inappropriate application of investment management fees or attempts to vary fees in a way we find unacceptable.

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 would apply particular regard to our policies on conflicts of interest and insider information at all times. 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. As with other areas of our approach to the Stewardship Code, our action will be decided on a case by case basis.

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

For practical reasons we do not vote on all shares held, but rather we assess contentious matters individually and will vote only in cases where we believe our client's interests need to be protected or where there is an area of public controversy. Our approach to Principle 5 discusses areas that we would consider important to our investors. We do not consider a blanket approach of voting on all routine matters to be of a reasonable use of time and limited resource for our investors.

The final decision will be made by the lead Fund manager for each client following discussion with the asset class specialist. 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. If we feel it appropriate or indeed may help initiate change, we may contact the company beforehand.

For reasons of practicality and client confidentiality we do not routinely disclose our voting activity publicly. However detailed information on our voting activity including both voted and unvoted shares as detailed below is provided quarterly to those clients who require the information and they may then disclose the information publicly if they consider it appropriate. We will provide reports on our voting activity to all other parties on request, although to date we have not received any such requests. We do monitor this situation and will look to change our approach to disclosure if we believe it is required. We do not permit stock lending on any securities via our custodians.

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

We maintain records of all engagement with the management teams of our investments as part of our normal day to day investment process. Furthermore, we record any instances where we have taken action to address our concerns, either informally in discussion or formally through our voting action.

We will report annually to clients our stewardship and voting activities on listed companies and in doing so conform with COBS 2.2B.6 (6).

We do not seek independent assurance of our engagement and voting processes, however our stewardship activities are monitored by our in-house compliance department as part of their risk-based compliance monitoring plan. Results of the plan are communicated to the Board.

We manage to assess the effectiveness of our compliance procedures, systems and controls including our voting policy and compliance with the Stewardship Code.

Further disclosures under COBS 2.2B

In respect of COBS 2.2B.7 SPL confirms that the votes it has taken part in over the past year would not be considered significant and/or SPL's size of holding is insufficient to require disclosure (COBS2.2B.7(2)(b)).

Further SPL confirms that it has not used proxy advisers in the last year.

In respect of COBS 2.2B.9 SPL has not invested in the past year on behalf of a SRD Institutional Investor.

For further information regarding our policy please contact: Ian Kay, Compliance, Seneca Partners Limited, 9 The Parks, Haydock, Newton-le-Willows. WA12 OJQ.

Email compliance@senecapartners.co.uk.

Important Information

Seneca Partners Limited is authorised and regulated by the Financial Conduct Authority and registered in England No. 07196273 with its registered office at, 9 The Parks, Haydock, Newton-le-Willows. WA12 OJQ

Dated November 2023