



**TAYLOR YOUNG INVESTMENT
MANAGEMENT (“TYIM”) STEWARDSHIP
POLICY**

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AUTHORISED AND REGULATED BY THE FINANCIAL SERVICES AUTHORITY

OVERVIEW

THE UK STEWARDSHIP CODE (“THE CODE”) WAS PUBLISHED BY THE FINANCIAL REPORTING COUNCIL IN JULY 2010. UNDER THE CODE, TYIM IS REQUIRED TO COMPLY WITH THE PRINCIPLES OF THE CODE OR TO EXPLAIN WHY IT HAS NOT DONE SO. THIS DOCUMENT SETS OUT THE POLICY OF TYIM FOR ENGAGING WITH THE COMPANIES IN WHICH ITS CLIENTS INVEST AND EXPLAINS HOW AND TO WHAT EXTENT TYIM COMPLIES WITH THE PRINCIPLES OF THE CODE.

TYIM IS AN INVESTMENT MANAGEMENT COMPANY, WHICH MANAGED A BROAD RANGE OF PRIVATE CLIENT, CHARITY AND INSTITUTIONAL PORTFOLIO WITH VERY VARIED REMITS. WHERE TYIM’S INSTITUTIONAL CLIENTS HOLD LESS THAN 1% OF THE VOTING SHARES AND THE HOLDING IS LESS THAN 5% OF THE VALUE OF THE RELEVANT CLIENT’S PORTFOLIO, TYIM WOULD NOT NORMALLY FOLLOW ALL THE PROCEDURES DETAILED BELOW BECAUSE THE COST AND EFFORT OF DOING SO WOULD BE DISPROPORTIONATE TO THE POTENTIAL BENEFIT TO THE CLIENT. IN ADDITION, WHERE TYIM’S CLIENTS INVEST IN OPEN ENDED INVESTMENT COMPANIES OR SIMILAR STRUCTURES, MANY OF THE PROCEDURES SET OUT IN THIS DOCUMENT WILL NOT BE APPROPRIATE BECAUSE OF THE NATURE OF THE INVESTMENT.

PRINCIPLE 1 – INSTITUTIONAL INVESTORS SHOULD PUBLICLY DISCLOSE THEIR POLICY ON HOW THEY WILL DISCHARGE THEIR STEWARDSHIP RESPONSIBILITIES.

TYIM’S PRINCIPAL CONCERN IS ALWAYS THE PROVISION OF THE BEST POSSIBLE SERVICE TO ITS CLIENTS AND OBTAINING THE BEST POSSIBLE RETURN FOR THE SHAREHOLDERS OF THOSE CLIENTS. TYIM HAS ALWAYS RECOGNISED THE LINK BETWEEN GOOD CORPORATE GOVERNANCE AND THE ACHIEVEMENT OF SATISFACTORY RESULTS FOR INVESTORS. AS A RESULT, TYIM HAS ALWAYS BELIEVED IN ENGAGING WITH INVESTEE COMPANIES, AS APPROPRIATE. WHERE WE HAVE A HOLDING FOR AN INSTITUTIONAL CLIENT, WE WOULD VOTE AT MEETINGS. WE WOULD ALSO ATTEND MEETINGS, UNLESS WE HAD HAD SUFFICIENTLY DIALOGUE WITH THE COMPANY RECENTLY TO JUSTIFY NOT ATTENDING.

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.

TYIM HAS ALWAYS BEEN AWARE OF THE POSSIBILITY OF CONFLICTS BETWEEN ITS INTERESTS OR THOSE OF ITS EMPLOYEES AND THE INTERESTS OF ITS CLIENTS, FOR WHICH, IN MOST CASES, IT ACTS AS AGENT, AND HAS ALWAYS SOUGHT TO MINIMISE THOSE CONFLICTS AND TO RESOLVE THEM IN SUCH A WAY THAT ITS CLIENTS ARE NOT DISADVANTAGED. TYIM THEREFORE HAS A FORMAL CONFLICTS OF INTEREST POLICY, WHICH IS AVAILABLE TO ALL CLIENTS. A SUMMARY OF THE CONFLICT OF INTEREST POLICY IS INCLUDED WITHIN CLIENT AGREEMENTS. TYIM IS ALSO AWARE OF THE POSSIBILITY OF CONFLICTS BETWEEN THE INTERESTS OF DIFFERENT CLIENTS.

PRINCIPLE 3 – INSTITUTIONAL INVESTORS SHOULD MONITOR THEIR INVESTEE COMPANIES

TYIM MONITORS ALL ITS INVESTEE COMPANIES ON BEHALF IT’S INSTITUTIONAL CLIENTS, INCLUDING MONITORING CORPORATE GOVERNANCE ARRANGEMENTS AND BOARD STRUCTURES. THIS MONITORING

IS CONDUCTED BY REVIEW OF FINANCIAL REPORTING AND ANNOUNCEMENTS, AS WELL AS MEETINGS WITH MANAGEMENT TO DISCUSS THE COMPANY'S STRATEGY TO ENSURING THAT THE COMPANY IS ACHIEVING TYIM'S INVESTMENT OBJECTIVES. A RECORD OF THESE MEETINGS IS HELD BY TYIM. WHERE TYIM HAS CONCERNS ABOUT THE GOVERNANCE OR PERFORMANCE OF AN INVESTEE COMPANY IT WILL RAISE THESE DIRECTLY WITH THE COMPANY.

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.

WHERE CONTENTIOUS ISSUES ARISE, TYIM WILL, WHERE APPROPRIATE, CONTACT THE MANAGEMENT OF THE INVESTEE COMPANY TO EXCHANGE VIEWS AND GIVE THEM THE OPPORTUNITY TO EXPLAIN. IF THIS APPROACH PROVES UNSATISFACTORY, TYIM MAY ALSO EXPRESS ITS CONCERNS THROUGH THE INVESTEE COMPANY'S ADVISERS OR DISCUSS THE ISSUE WITH OTHER SHAREHOLDERS OF THE INVESTEE COMPANY.

PRINCIPLE 5 – INSTITUTIONAL INVESTORS SHOULD BE WILLING TO ACT COLLECTIVELY WITH OTHER INVESTORS WHERE APPROPRIATE.

TYIM IS PREPARED TO ACT WITH OTHER INVESTORS WHERE THIS IS LIKELY TO PRODUCE A BETTER RESULT FOR ITS CLIENTS, WHILE BEING MINDFUL OF NOT BREACHING OTHER REGULATORY REQUIREMENTS.

PRINCIPLE 6 – INSTITUTIONAL INVESTORS SHOULD HAVE A CLEAR POLICY ON VOTING AND DISCLOSURE OF VOTING ACTIVITY.

TYIM WILL VOTE AT GENERAL MEETINGS AS IT SEES FIT AND DOES NOT RELY ON THE RECOMMENDATIONS OF ANY OUTSIDE AGENCY IN DECIDING HOW TO VOTE.

HOWEVER, WHERE THE HOLDING IS BELOW THE LIMITS SET OUT IN THE OVERVIEW ABOVE, TYIM WOULD NORMALLY DECIDE NOT TO DO SO. WHERE TYIM DOES VOTE, IT REVIEWS THE RESOLUTIONS AND VOTES ACCORDING TO ITS PERCEPTION OF THE INTERESTS OF ITS CLIENTS. THIS MEANS THAT TYIM WILL ONLY SUPPORT THE BOARD OF THE INVESTEE COMPANY IF IT THINKS THAT THIS IS BEST FOR TYIM'S INSTITUTIONAL CLIENTS.

TYIM DO NOT PUBLISH THEIR VOTING RECORD.

PRINCIPLE 7 – INSTITUTIONAL INVESTORS SHOULD REPORT PERIODICALLY ON THEIR STEWARDSHIP AND VOTING ACTIVITIES

UPON REQUEST, TYIM WILL PROVIDE TO A CLIENT DETAILS OF HOW TYIM VOTED ON A PARTICULAR PROXY AND WHERE THE DECISION WAS MADE NOT TO VOTE OR TO VOTE AGAINST THE MANAGEMENT IN RESPECT OF A PARTICULAR HOLDING.