



# SHAREHOLDER RIGHTS POLICY

## BANOR CAPITAL LIMITED

Banor Capital Limited (“Banor” or the “Firm”) complies with the requirements of the Shareholder Rights Directive (“SRD II”). It has developed an engagement policy, as seen in Appendix 1, and disclosed it publicly on the Firm’s website. Banor will make annual disclosures on how the engagement policy has been implemented.

### **ANNUAL UPDATE AND DISCLOSURE**

The engagement policy and related disclosures are reviewed on at least an annual basis and as part of this review, Banor will update its annual disclosure to include consideration of the following:

- A general description of voting behavior;
- An explanation of how it has cast significant votes, including how it has cast votes in the general meetings of companies in which it holds shares; and
- Reporting on the use of the services of proxy advisors.

The annual disclosure for the period ending June 2024 may be seen in Appendix 2.

### **SRD INSTITUTIONAL INVESTORS**

Banor complies with the disclosure requirements of SRD II with respect to separately managed accounts of SRD institutional investors by making such information publicly available on its website. Such disclosures will be provided and updated on at least an annual basis. The Firm will also provide this information where requested to by other (non-client) SRD investors.

The annual disclosure for the period ending June 2024 may be seen in Appendix 3.

## APPENDIX 1 – ENGAGEMENT POLICY

Under obligations arising from the revised Shareholder Rights Directive (EU 2017/828) (“SRD II”), a firm which trades shares on regulated and comparable markets, is required to either develop and publicly disclose an engagement policy as prescribed in COBS 2.2B.6R or disclose a clear and reasoned explanation of why it has chosen not to do so.

Banor Capital Limited (“Banor”, the “Firm”, “our”) has elected to disclose its engagement policy as set out below. Further, firms are also required to disclose on an annual basis how the engagement policy has been implemented in a way that meets the requirements in COBS 2.2B.7R. Banor will make its annual disclosure, alongside this engagement policy, on its website.

<p>The role of shareholder engagement in Banor’s investment strategy</p> <p>COBS 2.2B.6 R (1)</p>	<p>Shareholder engagement is the process by which Banor protects and manages our clients’ investments by actively monitoring investee companies inclusive of liaising with company management or brokers on strategy, performance, governance, and risk management.</p> <p>We encourage high standards of corporate governance when we meet with senior management of a company as part of our long strategy. In our periodic company meetings and/or calls, we will discuss strategy and corporate responsibility issues, as we believe that these factors affect the potential for a company to deliver long-term sustainable value to shareholders and ultimately our investors. Such factors include capital structure, capital expenditure plans, M&amp;A plans, management alignment, social and environmental impact, and corporate governance.</p> <p>We evaluate the effectiveness of investee companies’ management on these issues and if an investee company’s behaviour is judged to be adverse to its future earnings, these concerns are addressed in our research and investment process.</p>
<p>Approach to ongoing monitoring of, and dialogue with, investee companies</p> <p>COBS 2.2B.6 R (2) COBS 2.2B.6 R (3)</p>	<p>The Firm monitors investee companies in order to identify any issues in advance and take appropriate actions. The Firm considers the following when monitoring investee companies:</p> <ul style="list-style-type: none"> <li>• strategy and performance;</li> <li>• ordinary corporate governance issues;</li> <li>• approach to corporate social responsibility; and</li> <li>• risk management.</li> </ul> <p>Monitoring is undertaken in the following ways:</p> <ul style="list-style-type: none"> <li>• review of sell-side research developed by brokers or independent research companies;</li> <li>• analysis of data provided by third party providers (such as Bloomberg, Refinitiv, etc.);</li> <li>• monitoring of corporate results, through participation in conference calls or corporate meetings;</li> <li>• reviewing periodic financial statements or participating in investor days organised by the issuers themselves;</li> <li>• participation in sectoral conferences or conferences focused on some specific market segments;</li> <li>• for ESG assessments, consultation of data provided by external rating agencies (MSCI ESG, Sustainalytics, etc.) and databases specialised in non-financial information, which are analysed and reclassified by the analysis team; and</li> <li>• contacts with suppliers, customers, peers to provide information which, although not privileged, can highlight potentially relevant sectoral dynamics in the short / medium term.</li> </ul>

<p>Procedure for exercising voting rights and other rights attached to shares</p> <p>COBS 2.2B.6 R (4)</p>	<p>The Firm may exercise any voting or other rights relating to equities on behalf of its client unless the Firm receives specific instructions from its client. The Firm expects to fulfil its fiduciary obligation to the client by voting in a manner that is consistent with the best interest of that client and does not subordinate the client’s interests to its own.</p> <p>We carefully consider all aspects of the issues presented by a proxy matter for example:</p> <ul style="list-style-type: none"> <li>• monitoring relevant corporate actions;</li> <li>• ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant portfolio; and</li> <li>• preventing or managing any conflicts of interest arising from the exercise of voting rights.</li> </ul>
<p>Approach to cooperating with other shareholders</p> <p>COBS 2.2B.6 R (5)</p>	<p>The Firm may act collectively with other investors in situations where we believe it will be productive. This may occur when for example:</p> <ul style="list-style-type: none"> <li>• our initial engagement has failed to produce a desirable outcome; or</li> <li>• we are approached by other shareholders regarding a specific issue that threatens to negatively impact the value of our investment.</li> </ul> <p>Each situation is considered on a case by case basis. It is important that a collective engagement effort is not deemed to be acting in concert with others (as defined in the Takeover Code) and would take steps to avoid this happening.</p>
<p>Approach to communicating with other non-equity stakeholders</p> <p>COBS 2.2B.6 R (6)</p>	<p>The Firm does not typically communicate directly with other non-equity stakeholders.</p>
<p>Procedure for managing actual and potential conflicts of interests in relation to the firm’s engagement.</p> <p>COBS 2.2B.6 R (7)</p>	<p>Banor maintains a register of potential and actual conflicts of interest which are supplemented by a register of the outside business interests of staff members. Where Banor faces a material conflict that it is unable to manage or prevent, it is our policy to disclose this to the client(s) concerned prior to taking any action.</p>

## APPENDIX 2 – SHAREHOLDER RIGHTS DIRECTIVE ANNUAL DISCLOSURE

Banor makes the below annual disclosure under obligations arising from Article 3g(1)(b) of the revised Shareholder Rights Directive (EU 2017/828) (“SRD”) for the period ending June 2024.

<p>General description of voting behaviour.</p> <p>COBS 2.2B.7R (1)</p>	<p>Banor recognises its responsibility to carry out fiduciary duties and make use of voting rights. We try to be as proactive as possible to get companies, if possible, to alter proposals in line with our principles. We believe that sound corporate governance contributes to shareholder value and adds value to equity investments. ESG issues are also high on our agenda, and we strive to put extra emphasis on companies which we own in our sustainability tilted products. The Firm expects to fulfil its fiduciary obligation to the client by voting in a manner that is consistent with the best interest of that client and does not subordinate the client’s interests to its own.</p>
<p>How has Banor cast votes in the general meetings of companies in which it holds shares.</p> <p>COBS 2.2B.7R (2)</p>	<p>During the year, the Firm has endeavored to vote in shareholder meetings where possible. Whilst the recommendation of management was considered in all cases, the Firm always voted in the best interests of its clients.</p> <p>Voteable Items: 52          With Management: 48          Against Management: 0          Abstained from voting: 4</p>
<p>An explanation of Banor’s most significant votes.</p> <p>COBS 2.2B.7R (1)</p>	<p>Banor defines a significant vote as one where we have voted against management, or where we voted against our proxy adviser’s recommendation. We confirm we have applied this chosen approach consistently.</p>
<p>Banor’s use of the services of proxy advisors.</p> <p>COBS 2.2B.7R (1)</p>	<p>The Firm only uses proxy advisers if the actions to be taken need to be coordinated with other shareholders.</p>

## APPENDIX 3 – SRD INSTITUTIONAL INVESTOR ANNUAL DISCLOSURE

Under obligations arising from Article 3i(1) of the revised Shareholder Rights Directive (EU 2017/828) (“SRD II”), the following is the annual disclosure to SRD institutional investors, as defined in Article 1(2)(b), for the period ending June 2024.

<p>How the investment strategy and its implementation contribute to the medium to long-term performance of the assets (of the asset owner or fund)</p> <p>COBS 2.2B.9R (2)(a)</p>	<p>Banor is committed to promoting and exercising effective long-term stewardship among the companies represented in the portfolios we manage on behalf of our clients and this has been our focus over the last 12 months as well.</p> <p>With respect to portfolios invested in listed equity instruments, we continued to monitor and evaluate factors such as the underlying companies’ corporate strategies, investment and financing activities, regulatory policies and environmental impact, as well as overall effect on and engagement with consumers, workers, and the communities in which they operate to assess and promote long-term value creation.</p> <p>In this manner, assessing and promoting effective stewardship is a key part of our investment process. We use these metrics and align them with our client’s overall investment objectives and strategies as agreed in each client’s Investment Management Agreement (“IMA”).</p>
<p>Key material medium- to long-term risks associated with the investment</p> <p>COBS 2.2B.9R (2)(b)</p>	<p>Information on the applicable key material risks associated with the investment are disclosed in our IMA.</p>
<p>Portfolio composition, turnover and turnover costs</p> <p>COBS 2.2B.9R (3)(b) COBS 2.2B.6R (3)(c)</p>	<p>As required by the SRD II annual disclosure requirement, information on portfolio composition, turnover and turnover costs is provided, where applicable, as part of our periodic client reporting.</p>
<p>The use of proxy advisors for the purpose of engagement activities</p> <p>COBS 2.2B.6R (3)(d)</p>	<p>The Firm only uses proxy advisors if the actions to be taken need to be coordinated with other shareholders.</p>
<p>Policy on securities lending and how that policy is applied to supports the Firm’s engagement, particularly at the time of the general meeting of the investee companies</p> <p>COBS 2.2B.6R (3)(e)</p>	<p>The Firm does not carry out securities lending.</p>

<p>Whether and, if so, how, Banor makes investment decisions based on evaluation of medium- to long-term performance of an investee company, including non-financial performance</p> <p>COBS 2.2B.6R (3)(f)</p>	<p>Our core investment process for selecting investee companies is deliberately medium to long-term in its nature. In the case of equities, it will focus on the long-term sustainability and growth opportunities of an industry and the investee company’s position therein. We will consider a range of traditional financial metrics, primarily cash flow returns on invested capital, and use the quantum and trajectory of these returns to estimate the intrinsic value of a business.</p> <p>Coupled with these financial metrics, we will also consider the ESG standing of an industry and a company’s position therein and, where we are invested, strive whenever possible to use our engagement to engender positive changes.</p> <p>Please refer to our Responsible Investment Policy for additional information.</p>
<p>Conflicts of interests that have arisen in connection with engagement activities and how Banor has dealt with these conflicts.</p> <p>COBS 2.2B.6R (3)(g)</p>	<p>The way Banor manages conflicts of interest in relation to engagement activities is explained in our Engagement Policy.</p> <p>No conflicts of interest have arisen in the period in connection with engagement activities conducted by the Firm.</p>