

## SRD II: Engagement Policy - June 2020

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.

Naya Capital Management UK Limited (“Naya”, “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. Naya will make its annual disclosure, alongside this engagement policy, on its website.

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| <p>The role of shareholder engagement in Naya’s investment strategy</p> <p>COBS 2.2B.6 R (1)</p>                             | <p>Shareholder engagement is the process by which Naya 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 an 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 and dialogue with investee companies</p> <p>COBS 2.2B.6 R (2)</p> <p>COBS 2.2B.6 R (3)</p> | <p>Naya has regular contact, and on occasion attends meetings, with companies in which we invest. Naya maintains a long / short strategy and, in respect of the long book, is generally looking for a range of management attributes, including consistency of strategy, a successful track record and demonstration of a strong management team with good corporate governance. The Boards of our investee companies have to confirm, within published company annual report and accounts, that they are balanced, understandable and that they provide information necessary to assess the company’s performance, business model and strategy.</p> <p>Naya considers corporate governance issues presented by resolutions at Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs) of its investee companies and refers to external professional judgment and market research available.</p>  |

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|  | <p>When corporate governance issues arise, either we seek reassurance from the company that the issue is being addressed or satisfy ourselves that we are happy with the way things stand. In every case, we continue to monitor the situation.</p> <p>Naya reviews on a case by case basis concerns with investee company strategy or policy. Naya, in the first instance, would liaise with the company's broker and engagement with investee companies at a Board level would only be carried out in exceptional circumstances, on a reactive basis, if it is deemed in the best interest of its position as shareholder (and therefore in the interests of Naya's investors) to address a particular issue.</p> <p>In all instances, intervention will only be taken where we believe that shareholder value can be achieved for our investors. Where we do not believe that to be the case, and we have fundamental concerns, we may take the decision to sell the shares, again in the interests of our investors.</p> <p>Interventions such as issuing a public statement regarding an investee company's strategy or proposals, submitting resolutions at shareholder meetings or requisitioning an EGM do not normally form part of our standard policy.</p> <p>Where our opposition to a company's policy is strong enough, and we have not received adequate assurances on our concerns, we would, in the best interests of our clients/investors, exercise our stewardship responsibilities by selling the shares.</p> |
| <p><b>Procedure for exercising voting rights and other rights attached to shares</b></p> <p><b>COBS 2.2B.6 R (4)</b></p> | <p>Naya's policy on "Voting Rights" is included in its Compliance Policies and Procedures Manual and reflects the fact that Naya typically votes on behalf of clients at AGMs and EGMs where it has a holding in the company. When Naya has discretion to vote the proxies of a client, it is the policy of Naya to vote proxies in the interest of maximising value for its clients. Consideration will be given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote. The Naya analyst(s) responsible for each security will be contacted whenever there is a proxy vote, to determine the appropriate vote to be cast. At times, Naya may determine it is in its clients' best interests to abstain from voting. Notwithstanding the foregoing, Naya generally votes in favour of the management of companies for which the proxies are being voted. Whenever Naya does not vote in favour of management, or abstains from voting, the rationale for such decision will be documented. In the absence of specific voting guidelines from the Client, Naya will vote proxies in a way which in its reasonable belief serves the Client's best interests. Generally, Naya will vote only on material proposals.</p>   |
| <p><b>Approach to cooperating with other shareholders</b></p>  | <p>Naya does not currently intervene with respect to investee companies on a joint basis with other shareholders on particular issues to influence</p>   |

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| <p>COBS 2.2B.6 R (5)</p>   | <p>company strategy. However, we would consider doing so where it is considered in the best interests of our clients/investors and where there are controls in place to facilitate the sharing of information and guidelines as to how collaborative engagement should be undertaken between shareholders.</p>  |
| <p>Approach to communicating with other non-equity stakeholders</p> <p>COBS 2.2B.6 R (6)</p>   | <p>Same as above.</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>Naya manages and maintains a Conflicts of Interest policy, supplemented by a register of the outside business interests of staff members, which aim to identify and address all potential conflicts, including those that arise as a result of share ownership and the potential active engagement with companies. This policy is made available to clients on request. Naya also maintains a Proxy Voting policy which seeks to address potential conflicts in its capacity representing clients/investors in engaging on issues related to investee companies.</p> |