

Thomas Miller Investment UK Stewardship Code Compliance Statement ('the Statement')

Introduction

This statement summarises how Thomas Miller Investment¹ (TMI) complies with the seven principles of the Financial Reporting Council's UK Stewardship Code ('the Code').

The Code sets out good practice to enhance the quality of engagement between institutional investors and the UK listed companies in which they invest in order to improve long term returns for shareholders and help with the efficient exercise of governance responsibilities.

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

TMI signed up to the Code in September 2010 and uses it to inform its voting on shares it holds on behalf of its clients in UK listed companies. This includes voting on private clients' shares held by Pershing, but not those held by SEI Investments or Bank of New York Mellon until they can facilitate it for TMI. In the case of passive holdings, the requirements to maintain exposure to a particular share may constrain TMI's influence over the company.

Where possible, TMI will regularly meet with the management of the companies that its clients invest in and has engaged with them on a number of issues considered important in relation to stewardship (e.g. leadership, environmental impact, executive remuneration). Given TMI's size, such engagement tends to be more productive with smaller companies, as access to senior management at larger companies (FTSE 100) is usually more limited.

TMI regard ethical working practices and good governance as being important in determining a company's viability and likelihood of success, and to a degree its long term equity returns.

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

TMI is committed to managing appropriately any conflicts of interest to ensure that it acts in the best interests of its clients. A copy of its conflicts of interest policy is available at www.tminvestment.com.

The policy sets out how TMI identifies and manages any conflicts of interest to ensure it acts in its clients' best interests and treats them fairly.

¹ Thomas Miller Investment is the trading name of the businesses in the Thomas Miller Group. Thomas Miller Investment Limited is authorised and regulated by the Financial Conduct Authority. Thomas Miller Investment (Isle of Man) Ltd is licensed by the Isle of Man Financial Services Authority.

Principle Three - Institutional investors should monitor their investee companies.

All the companies TMI invests in for its clients are monitored on a regular basis by the relevant analyst or portfolio manager responsible. Monitoring includes the study of financial statements by the company concerned, dialogue with management wherever possible, following the company in the media and financial press, as well as the use of third party broker research and any primary research undertaken.

Our engagement may include attendance at company meetings or one-to-one meetings with employees other than management (e.g. investor relations staff and PR representatives).

The monitoring of client company holdings is undertaken to evaluate if the company is being run in line with the Corporate Governance Code, the Portfolio Manager's expectations and any specific client requirements.

Only very rarely would TMI consider and accept becoming an insider. TMI expects investee companies and their advisers to ensure that information that could affect its ability to deal in the shares of the company concerned is not conveyed to it without prior agreement.

TMI will, where it considers it appropriate, raise concerns over investee company policies directly with management at face to face meetings wherever possible or by initiating communications, through their corporate broker or through their internal or external investor relations function.

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

TMI will undertake to escalate its involvement with client companies where it considers it appropriate to do so, and where it has concerns that executives' management of the companies may have a detrimental impact on their investment value.

TMI will endeavour to identify and initiate this at an early enough stage in order to minimise any potential problems identified or any potential loss of shareholder value.

Engagement would – whenever possible or practicable - be through contact with management: executive management if the issue is primarily one of performance, and non-executive if it is one of governance. Calling for resolutions, collaborative action with other investors and open letters to management would also be considered.

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

TMI has not previously done so but is willing to be approached by other investors, and would consider supporting other investors over an issue, where it considers that co-ordinated action would be beneficial to its clients.

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

TMI aims to vote on AGM resolutions and resolutions at other company meetings for the majority of the UK listed companies it holds on behalf of clients.

A copy of TMI's voting record is available at www.tminvestment.com.

TMI does not lend stock through its custodians.

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

The voting record and other Stewardship activity at TMI is summarised for clients on an annual basis and this is available at www.tminvestment.com.

TMI has not elected to obtain an independent opinion on its voting record. However, this may be reviewed in the future if it is considered appropriate and cost effective.

Further Information

A copy of this Statement can be found on the TMI's website, www.tminvestment.com.

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