DINOSAUR MERCHANT BANK LTD

Stewardship Code Disclosure Statement

Under COBS 2.2.3 of the FCA Handbook, DMBL is required to make a public disclosure in relation to the nature of its commitment to the Financial Reporting Council's ("FRC") Stewardship Code (the "Code"). Adherence to the Code is voluntary.

In addition under COBS 2.2B.5 of the FCA Handbook, DMBL is required under the Shareholder Rights Directive II ("SRD II"), to develop and publicly disclose an engagement policy that meets the requirements of COBS 2.2B.6R. Whilst DMBL does not have a standalone Engagement Policy, the Firm's response to the Stewardship Code addresses our approach to engagement. However, in response to SRD II, an Engagement Policy is being prepared which will be publicly disclosed within the "Disclosures" section of this website in the near future.

The Code aims to enhance the quality of engagement between asset managers and companies to help improve long-term risk-adjusted returns to shareholders and promote the efficient exercise of governance responsibilities. It also describes steps asset owners can take to protect and enhance the value that accrues to the ultimate beneficiary and sets out a number of areas of good practice on engagement with investee companies to which the FRC believes institutional investors should aspire. The Code is directed in the first instance to institutional investors by which is meant asset owners and asset managers with equity holdings in UK listed companies.

The Principles of the Code

The seven principles of the Code are that institutional investors should:

1. Publicly disclose their policy on how they will discharge their stewardship responsibilities.
2. Have and publicly disclose a robust policy on managing conflicts of interest in relation to stewardship.
3. Monitor their investee companies.

4. Establish clear guidelines on when and how they will escalate their stewardship activities as a method of protecting and enhancing shareholder value.
5. Be willing to act collectively with other investors where appropriate.
6. Have a clear policy on voting and disclosure of voting activity.
7. Report periodically on their stewardship and voting activities.

The FRC encourages signatories to the Code to review their policy statements annually and update them as necessary to reflect changes in actual practice.

UK Financial Reporting Council's Stewardship Code

FCA COBS Rule 2.2.3R requires FCA authorised firms to disclose the nature of their commitment to the FRC's Stewardship Code (the" Code") or, where it does not commit to the Code, its alternative investment strategy.

DMBL employs a discretionary opportunistic equity long/short trading strategy with the ability to invest across the capital structure. Whilst DMBL is typically a passive investor, there are situations where the Firm will formally engage with investee companies through voting rights. These typically cover instances where we have concerns over the strategic direction of the company or over alignment between us as a shareholder and management.

We set out below our approach to the recommendations of the Code and explain our reasons for taking a different approach where relevant.

For further details on any of the above information, please contact Gavin St John – Heath, Head of Compliance gstjohnheath@dinogroup.eu

Principle 1

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

This document sets out how the Firm seeks to discharge its stewardship responsibilities. DMBL has outlined in this statement each of the principles of the Code and how it complies with them or explains why it does not. In particular, it sets out how the Firm monitors the companies in which it has invested as investment manager to its clients, its strategy on engagement and its policy on the exercise of voting rights on behalf of its clients.

Engagement with investee companies is primarily the responsibility of the Firm's Investment Team. The Firm's proxy voting procedures and recordkeeping are overseen by the Firm's

Operations Team.

DMBL does not generally outsource its stewardship responsibilities.

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.

DMBL maintains a robust policy on managing conflicts of interest which is designed to ensure its decisions are taken wholly in the interest of its clients. DMBL aims to ensure that all potential and actual conflicts are identified, evaluated, managed, monitored and recorded.

Should a conflict of interest arise, the senior management of DMBL would take appropriate steps to ensure fair treatment of all clients including disclosure of the conflict to the affected clients as a measure of last resort (if it be deemed appropriate).

As part of the Firm's policy, all members of staff must notify the Firm's Head of Compliance if they become aware of any material conflict of interest arising, including in relation to voting proxies on behalf of clients. Where such a material conflict of interest is identified, voting instructions will be subject to assessment and approval by the Compliance Officer.
A summary of the Firm's conflicts of interest policy is available to clients upon request from the Firm's Compliance Officer.

Principle 3

Institutional investors should monitor their investee companies.

The majority of the Investment Team's time is spent on monitoring investee companies to ensure that they remain suitable for the Client's portfolios.

Where appropriate, the Firm will monitor its investee companies to determine when dialogue with management may be necessary. DMBL's monitoring process may include the following:

- *Keeping abreast of the company's performance.*
- *Keeping abreast of developments, both internal and external to the company that drive the company's value and risks.*
- *Satisfying itself that the governance arrangements of the companies, including the operation of the Board and any non-executive oversight adhere to the spirit of the UK*

Corporate Governance Code.

- *Considering the quality of the company's reporting.*
- *Retaining adequate records of company meetings and of votes cast on behalf of its clients.*
- *Records of reasons for voting against a company's management or for abstaining.*
- *Attending General Meetings.*

The Firm is typically a passive investor and is careful to select companies that have sufficient business strength and corporate governance so as not to require the intervention of shareholders. The Firm will, however, seek to influence management when it believes it to be in the best interests of shareholders. Influence usually takes the form of verbal engagement with C level management, if concerns remain, the Firm will take up the issue in written form with the board. Whilst the Firm are cognisant, of concert party rules and restrictions, the Firm may discuss the issue with other investors, though does not expect to enter into concert party arrangements.

In normal circumstances, the Firm does not wish to be made an insider. The Firm expects investee companies and their advisers not to convey information to the Firm that could affect its ability to deal in the shares of the company concerned without prior agreement.

Principle 4

Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.

If DMBL becomes concerned about any aspect of an investee company's investment strategy, performance, governance or any other matter, the Firm may wish to escalate this to the management of the company.

Examples of the way in which such matters could be escalated include:

- *Holding additional meetings with management.*
- *Expressing concerns through advisers.*
- *Meeting with Chairman or other independent directors.*
- *Intervening jointly with other investors.*

If the Firm's concerns are not addressed during this process the Firm will consider further actions, which may include the sale of its holding.

Principle 5

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

DMBL typically does not act collectively with other investors in any manner in which it could be deemed to be acting in concert. Whilst there may be situations where it is appropriate to act collectively with other shareholders in order to engage with an investee company, generally we believe that we have sufficient expertise and knowledge of investee companies to deal with any concerns that we might have about the investee company's business activities, strategy or corporate governance. In most cases we would expect to engage with the board on our own initiative or we may decide to dispose of or reduce our holding.

Principle 6

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

DMBL maintains proxy voting policies and procedures that are designed to ensure that it makes a best effort attempt to vote proxies in the best interests of its clients and will generally seek to vote all of its shares. *DMBL generally votes in favour of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are involved). For other proposals, DMBL will assess what is in the best interests of its clients and, in doing so, may take into account the following factors:*

- *whether the proposal was recommended by management and DMBL's opinion of management;*
- *whether the proposal acts to entrench existing management;*
- *whether the proposal fairly compensates management for past and future performance;*
- *Environmental, Social and Governance factors (where appropriate); and*
- *the proxy voting research provided by ISS (or equivalent) to the investment teams before shareholder meetings.*

DMBL does not publicly disclose voting records as it considers that such information belongs to its clients on whose behalf it has voted and not the general public.

DMBL generally does not lend securities on behalf of its clients.

Principle 7

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

The Firm does not believe it is in the investors' interest to disclose publicly its shareholdings or how it may have exercised its voting rights on behalf of a client. However, subject to underlying client confidentiality and investment strategy considerations, the Firm may provide clients with information on voting, engagement and stewardship activity on request or where required by law and or regulation.

For further details on any of the above information, please contact our Head of Compliance Gavin St John-Heath (gstjohnheath@dinogroup.eu)

Dinosaur Merchant Bank Limited