



## UK Stewardship Code Disclosure

ICM Limited (“ICM”), as appointed joint portfolio manager to the funds listed below and is committed to the UK Stewardship Code (the “Code”) which was adopted by the Financial Reporting Council (“FRC”) in July 2010 and subsequently updated in September 2012.

- Utilico Emerging Markets Trust plc
- UIL Limited

The Code aims to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. It sets out good practice on engagement with investee companies and is to be applied by firms on a ‘comply or explain’ basis. The Code is directed in the first instance to institutional investors with equity holdings in UK listed companies. The FRC recognises that not all parts of the Code will be relevant to all institutional investors and that smaller institutions may judge some of the principles and guidance to be disproportionate.

Whilst ICM is supportive of the Code, the investments it currently manages on behalf of its clients who are not natural persons are predominately in non-UK listed and in unlisted companies which are not subject to the UK Corporate Governance Code and the associated Stewardship Code.

The following sets forth the seven principles of the Code and outlines how ICM believes it fulfills each of the principles:

**Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.**

ICM has a duty to act in the best, long term interest of its clients. It considers that this duty includes performing the stewardship role in a manner that enables ICM, as the investment manager, to add value to clients as shareholders of investee companies.

**Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.**

ICM maintains a robust policy on managing conflicts of interest that ensures decisions are taken wholly in the interest of the clients. The firm takes a risk-based approach to avoid conflicts of interest and to consider all conflicts when implementing policies and procedures. Where conflicts are unavoidable, we develop both formal and informal procedures for their management. This includes the maintenance of an inventory of potential and actual conflicts of interests and how we actively manage them. Such procedures are designed to ensure that the management of the conflict takes place in such a way that the firm or its employees are not advantaged and that the client is not disadvantaged. Where the firm is not reasonably confident that it is able to manage a particular conflict to adequately protect the interests of the client, we shall disclose the nature and/source of the conflict of interest.

**Principle 3: Institutional investors should monitor their investee companies.**

As the investment manager ICM maintains a detailed database of companies it is interested in, whether as investee companies, potential investments or within a peer group with other companies it is interested in (the majority of these companies are not UK companies). This enables the investment analysts and the fund managers to monitor closely the performance of investee companies and to identify issues that might have an impact on their performance. The investment analysts and fund managers review the risks inherent with investing in the various sectors and geographic regions, which are taken into account when reviewing the performance of the investee companies.

Through the fund(s), the investment manager may hold a significant investment in an investee company. It maintains close contact with the investee companies, attending briefing sessions and often visiting a company’s operational site to view the business on the ground. ICM supports management where they are perceived to be working in the interests of their shareholders.

**Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.**



ICM takes an active approach to communicating its views to companies where it believes there are issues that will impact shareholder value.

**Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.**

In certain circumstances, ICM may not support management. In these circumstances the investment analysts normally will contact management to discuss their concerns, why they feel unable to support the proposals and the action that they are proposing to take.

The circumstances where ICM may not support management include where a third party makes an offer for the company (or a significant stake) at a price below the investment manager's valuation of the business or when management do not appear to be resolving issues that have previously been identified.

Measures that the investment team may take include discussing their concerns with management, writing to the chairman of the company concerned, contacting other shareholders to ascertain their views and voting against proposals at general meetings. In some circumstances, where management do not appear to be tackling major issues, ICM might try to identify and propose non-executive directors who could add value to the business or suggest other alternative opportunities to the investee company's board.

Should the occasion arise, ICM may find it preferable to work with other shareholders of an investee company to effect change. Before entering into collaborative engagement initiatives, ICM will take into account potential conflicts of interest and regulatory implications of its actions.

**Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.**

The default, where ICM has no concerns with the business, is to vote in favour of all resolutions at general meetings. We do not publicly disclose voting records as we believe such information should be kept confidential for our clients.

**Principle 7: Institutional investors should report periodically on their stewardship and voting activities.**

ICM reports significant issues that have arisen with investee companies to their clients and advises them of the actions that they have taken or propose to take. Regular investment management reports are submitted to ICM's respective clients on the portfolios that it manages.

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