

The UK Stewardship Code

This document outlines the approach by OLIM to corporate governance as compared to the guidelines set out in the “The UK Stewardship Code” by the Financial Reporting Council (FRC).

Principle 1

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

OLIM’s investment approach focuses on evaluating each investee company’s business model and strategy. As part of this process, OLIM engages directly with company management through one-to-one meetings, group seminars and site visits. In the normal course of events these meetings provide a forum to question management and, if necessary, to raise any concerns over corporate strategy and governance. More serious problems may also be pursued through the investee company’s corporate broker or senior non-executive director. Where appropriate OLIM votes on issues of significance at the relevant AGM or EGM. OLIM also responds to requests from companies for comment on their governance and strategy.

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.

In considering corporate governance issues, our overriding consideration is the fiduciary duty to OLIM’s clients. OLIM is fully owned by Albion Ventures LLP.

Principle 3

Institutional investors should monitor their investee companies

OLIM reviews a range of information including annual reports and other company announcements. In addition, OLIM regularly meets with investee company management through one-to-one meetings, group seminars and site visits. OLIM focuses on evaluating the strengths and weaknesses of each investee company’s business model. Of key importance to our analysis is ascertaining the sustainability of operating margins and the drivers to sales growth. In addition we pay attention to each company’s cashflow, balance sheet and potential risks. Based on our research we use a range of valuation tools, including both accounting multiples and discounted cash flow, to estimate fair value for each stock. Our best investment ideas are those with the most upside to fair value.

Principle 4

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

As described previously, OLIM invests in companies where our analysis has identified significant upside to fair value. During the period of ownership we may intervene to protect the value of investments held on clients' behalf. Issues that may be raised with investee company management include the following: strategy (especially M&A policy), operating performance, cashflow, incentivisation and dividend policy. Serious problems may also be pursued through the investee company's corporate broker or senior non-executive director. It should be noted that should any evidence emerge that contradicts our original investment thesis we reserve the right to sell a holding.

Principle 5

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

OLIM is open to collaborating with other investors on significant corporate issues.

Principle 6

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

Where appropriate OLIM votes on issues of significance at the relevant AGM or EGM. It is not normal policy for OLIM to publicly disclose voting activity. This reflects our belief that it is normally better to lobby management directly rather than publicly.

Principle 7

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

OLIM provides all clients with detailed quarterly investment reports detailing performance, portfolio changes and investment strategy. Important issues concerning investee companies are addressed in these reports. As OLIM only votes on issues of significance we do not normally provide detailed reports on voting activities to clients.