

# ICM INVESTMENT MANAGEMENT LIMITED

## ICM LIMITED

### STEWARDSHIP AND VOTING POLICY

ICM Investment Management Limited (“ICMIM”) is a UK company which is authorised and regulated by the Financial Conduct Authority as an alternative investment fund manager and ICM Limited (“ICM”) is a Bermuda based fund manager and corporate finance adviser (together referred to as the “Investment Managers”).

The Investment Managers share the same investment philosophy and specialise in the following investment sectors:

- Utility and Infrastructure
- Financial services
- Mining and resources,
- Technology, and
- Fixed income

The Investment Managers, either individually or jointly, provide investment management services, including portfolio monitoring and research, to a number of companies and non-profit organisations, including:

- UIL Limited (“UIL”)
- Utilico Emerging Markets Limited (“UEM”)
- Somers Limited
- Bermuda Commercial Bank Limited
- Zeta Resources Limited
- Vix Investments

**The FRC UK Stewardship Code** states that institutional investors should:

- publicly disclose their policy on how they will discharge their stewardship responsibilities
- have a robust policy on managing conflicts in interest in relation to stewardship
- monitor their investee companies
- establish clear guidelines on when and how they will escalate their stewardship activities
- be willing to act collectively with other investors where appropriate
- have a clear policy on voting and disclosure of voting activity
- report periodically on their stewardship and voting activities.

The following document sets out the Investment Managers’ policy on how they will discharge their stewardship responsibilities, both for their own accounts and on behalf of the companies and organisations that they manage, in accordance with the Financial Reporting Council’s “The UK Stewardship Code”, published in September 2012.

This code is published on ICM’s website and also on UIL and UEM’s respective websites, <http://www.uil.limited/> and <http://www.uem.bm/>

### **How the Investment Managers will discharge their stewardship responsibilities and monitor the investee companies they respectively manage:**

The Investment Managers maintain a detailed database of companies they are interested in, either as investee companies, potential investments or within a peer group with other companies they are 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.

The Investment Managers often hold a significant investment in investee companies. They maintain close contact with the companies they have invested in, attending briefing sessions and often visiting a company's operational site to view the business on the ground. They support management where they are perceived to be working in the interests of their shareholders.

The Investment Managers reports regularly to their respective clients on the portfolios that they manage and in the case of UIL and UEM the net asset value of the underlying assets are published either weekly (in the case of UIL) or daily (in the case of UEM).

### **How the Investment Managers manage conflicts of interest in relation to stewardship**

In a number of cases, the Investment Managers invest in companies alongside their clients.

In the unlikely situation that a conflict of interest arises between the interests of their clients and themselves, the Investment Managers will vote their clients' holdings in accordance with what is in their best interests individually.

ICMIM and ICM each reserves the right to vote any holding they own beneficially as they think fit.

The Investment Managers will speak to the Chairman or another Director of the client to advise them of the potential conflict of interest and how they are proposing to vote in those circumstances.

### **When and how the Investment Managers will escalate their stewardship activities, occasionally working with other investors where appropriate.**

In certain circumstances the Investment Managers will not support management. In these circumstances the Investment Managers 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 the Investment Managers 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 Managers' valuation of the business or when management do not appear to be resolving issues that have previously been identified.

Measures that the Investment Managers 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, the Investment Managers 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.

### **Voting policy**

The default, where the Investment Managers have no concerns with the business, is to vote in favour of all resolutions at general meetings.

### **Reporting on its stewardship and voting activities**

The Investment Managers report 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.

**November 2015**