Sanford DeLand

Shareholder Engagement Policy

August 2026

Sanford DeLand Asset Management Limited is authorised and regulated by the Financial Conduct Authority. FRN: 924563
Registered in England Wales No: 07197573. Registered office: 7 Park Row, Leeds LS1 5HD

Introduction

The Shareholder Rights Directive II ('**SRD II**') aims to promote effective stewardship and long-term investment decision-making by enhancing the transparency of asset managers' investment strategies. This document sets out the Shareholder Engagement Policy implemented by Sanford DeLand Asset Management Limited ('**SDL**'), which is in line with those requirements. Specifically, it outlines how SDL:

- integrates shareholder engagement in its investment strategy;
- monitors investee companies on relevant matters, including:
  (a) strategy
  (b) financial and non-financial performance and risk
  (c) capital structure
  (d) social and environmental impact and corporate governance
- conducts dialogues with investee companies;
- exercises voting rights and other rights attached to shares;
- cooperates with other shareholders;
- communicates with relevant stakeholders of the investee companies; and
- manages actual and potential conflicts of interests in relation to the firm's engagement.

In line with SDL's obligations under SRD II, an annual disclosure is made to explain how the policy has been applied, together with details of how SDL has voted in relation to shares held in investee companies. Both these documents can be found under the Stewardship section of the SDL website at www.sanford-deland.com/stewardship.

SDL is pleased to be a signatory (since May 2021) to the UN PRI which works to promote the incorporation of ESG into investment decision making.

Overarching principles

SDL is an active fund management company that uses proprietary investment processes to identify and hold companies for those investors in the TM SDL UK Buffettology Fund (the '**fund**') for the long term. The overarching investment philosophy is Business Perspective Investing ('**BPI**'), which is widely acknowledged as one of the most successful long term investment strategies associated in particular with Warren Buffett and other disciples of Benjamin Graham.

BPI starts from the premise that there is no philosophical distinction between part ownership (i.e. buying shares in a company) and outright ownership (i.e. buying the business in its entirety). If you believe, as Business Perspective Investors do, that a share is an ownership claim on a business, then business success and investment success go hand in hand.

As a result of this approach, SDL is a long-term buy and hold investor, with investment in companies over the long-term emphasising the need for good governance and stewardship, which we view as an important part of creating shareholder value.

SDL's primary objective is to deliver investment performance for investors in the fund with appropriate levels of risk. In order to do so, SDL seeks a fundamental understanding of not only the companies in which investment is made but also their markets and competitive landscape. Environmental, Social and Governance ('**ESG**') criteria form a fundamental part of this understanding and is integrated into the SDL investment process.

Specifically:

- **Integration of shareholder engagement in the investment strategy**
  When deciding to invest in a new portfolio holding, SDL undertakes an in-depth "deep dive" into the company, its markets and the competitive landscape. This includes a combination of desktop research, proprietary modelling and analysis of the company's historic and expected underlying returns, as well as company site visits and meetings with management. Engagement with investee companies generally takes place before an investment is made and is fundamental to the investment process.

- **Monitoring of investee companies on relevant matters, including: (a) strategy; (b) financial and non-financial performance and risk; (c) capital structure; and (d) social and environmental impact and corporate governance**
  All existing portfolio companies are monitored regularly for their performance, both financially and operationally, against SDL's expectations. This is through a combination of annual or interim results presentations as well as more ad-hoc company trading updates, acquisitions/disposals and fundraises.

  In particular, SDL looks at how the strategic decisions of management are adding long-term shareholder value; whether the capital structure of the business is suitable (be that where there is too much net debt or cash); and Board composition and remuneration to ensure it has diversification of skill sets and experience and salaries are appropriate. SDL prefers to invest in companies where management's interests are aligned with those of shareholders.

  The investment team's monitoring and investment process incorporates ESG considerations for each company on an ongoing basis. Further details of this are set out in SDL's Stewardship and Responsible Investing Policy which is available from the SDL website at www.sanford-deland.com/stewardship.

- **Dialogue with investee companies**
  SDL believes there should be a regular dialogue between company management and shareholders based on the mutual understanding of objectives. Each Board therefore has a responsibility for ensuring that a satisfactory dialogue with shareholders takes place. As a minimum, the Board should use the AGM to communicate with investors and to encourage dialogue.

  It is usual for SDL to hold routine interactions with company management at least once a year in addition to any ad-hoc dialogues as required. These can take the form of one-to-one meetings, telephone or video calls or as part of group presentations. SDL keeps an internal record of the key points of all such interactions. SDL is, from time to time, approached directly by the management of investee companies as a sounding board for potential M&A, feedback on performance and views on remuneration policy, among others.

  Where SDL has any specific concerns about aspects of a company's strategy, performance, governance, remuneration, or approach to risks, these concerns will be raised directly with company management. If it is felt that a constructive or transparent response is not forthcoming, SDL may choose to hold further meetings with management to address these concerns; make views known to the company's broker, financial adviser or other advisers, arrange to speak with the chairman, senior independent director, or other independent directors. Ultimately, where concerns have not been addressed, SDL may choose to sell the fund's interest in the company.

- **Exercise of voting rights and other rights attached to shares**
  SDL will exercise its vote in relation to all shareholdings, irrespective of the materiality of the holding.

  Voting is ultimately the responsibility of the lead fund manager but, in reaching a decision, consideration will be given to a number of factors including the company's operating performance against SDL's expectations, any engagement that has taken place between SDL and company management in the period and SDL's assessment of how the company has performed against ESG criteria.

  When examining a company's performance on ESG matters, attention will be paid to the output of SDL's ESG scorecard, a proprietary assessment exercise comprising 15 distinct criteria. Each is given a rating of 'A' (good or above average practice); 'B' (average or in line practice); 'C' (below average with one or more specific concerns); or 'D' (at least one area of significant concern and not investable) together with supporting notes.

  Where specific concerns arise, in the first instance these will be shared with management for comment and dialogue. Where the outcome of this engagement has not been satisfactory, for example where insufficient undertakings have been received to address the area of concern, SDL reserves the right to abstain or vote against the management in several ways including:

  (a) Voting on annual report and accounts - SDL may abstain or vote against the annual report and accounts where concerns are identified over lack of disclosure or poor quality of reporting.

(b) Voting on directors – Where significant issues have arisen, SDL may abstain or vote against the re-election of relevant directors or, where applicable, the discharge of the Board(s). We expect companies to be fully transparent and to adhere to best practice in producing information on votes and in related activities. All proposals should have adequate information available to enable an informed decision. Proposals should not limit or reduce shareholder rights and should ensure equal treatment of all shareholders.

(c) Certain standing items will always receive a vote against. This includes any resolution authorising political donations irrespective of whether the company intends to make use of it, as SDL does not believe this is ever an acceptable use of shareholders' funds. SDL will also vote against resolutions proposing short notice meetings as, in our view, such decisions do not provide sufficient time for us to prepare before exercising voting rights.

(d) Under SRD II, SDL is required to disclose its voting record. This is undertaken annually for the twelve months ending 31 July. The voting record is made publicly available on the SDL website at: https://www.sanford-deland.com/45/who-we-are/stewardship.

SDL uses Broadridge ProxyEdge® for voting and record keeping. All voting decisions are made in house by the investment team. **The services of a proxy adviser are not employed**.

- **Cooperation with other shareholders**
  SDL is open to working collaboratively with other shareholders in its investee companies but, mindful of not being seen to act in concert or collusion with those shareholders, will only seek to do so in very specific circumstances. These will be limited to concerns of an ESG nature and only when the initial engagement with the company has failed to produce a satisfactory outcome.

- **Communication with relevant stakeholders of the investee companies**
  SDL will seek to engage productively with investee companies and as a result has developed a Stewardship and Responsible Investing Policy, which outlines how SDL's engagement and voting interfaces with ESG assessments. This document is available on the SDL website at www.sanford-deland.com/stewardship.