

## **TOSCAFUND COMMITMENT TO PRINCIPLES OF THE U.K. STEWARDSHIP CODE**

Toscafund Asset Management LLP is committed to the principles set forth in the UK Stewardship Code (the “Stewardship Code” or “Code”) adopted by the Financial Reporting Council. The Stewardship 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. Engagement includes pursuing purposeful dialogue on strategy, performance and the management of risk, as well as on issues that are the immediate subject of votes at general meetings.

### ***Principle 1***

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

Investee companies will be monitored in a number of different ways. Continued dialogue with company management and/or board members, monitoring of company announcements and financial statements, meaningful analyses of company performance and industry trends are some of the important ways in which we will discharge our stewardship responsibilities as an investment manager. We do not generally employ proxy voting services. Our voting actions and dialogue with investee companies will encourage sound business practices and strategy on the part of such companies and the responsible enhancement of shareholder value and always with the best interests of our investment management clients as a paramount consideration.

### ***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.***

Toscafund maintains robust policies and procedures on managing conflicts of Interest. This policy is reflected in our systems and controls regime, which includes a written Conflicts policy, a comprehensive Compliance Manual, employee trading policies and procedures and written policies on such matters as execution, allocation and valuation. These policies are reviewed on an ongoing basis, including regular independent audits.

### ***Principle 3***

***Institutional investors should monitor their investee companies.***

We regularly monitor our investee companies and make considered determinations on when it is necessary to enter into an active dialogue with their boards. This monitoring is evident from the issuance of our monthly reports for each fund that we manage. Many of these reports will discuss dialogues we have had with investee company boards and our analyses of company management and performance. When appropriate, we meet with the Chairman and other board members of our investee companies and maintain records of our correspondence on such matters. In order to maximize shareholder value, we will not hesitate to timely call to the attention of a company’s board our views with respect to problems we perceive within the company. We will also make clear to our investee companies that any information imparted to us is done so responsibly and with our consent in order to avoid becoming insiders and hence affect our ability to deal in the shares of the company. Where we become insiders, we follow established procedures designed to comply with our conflicts policy and applicable trading regulations.

***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.***

When appropriate, after careful analysis and with due consideration to the best interests of our investment management clients to whom we owe a fiduciary duty, we will escalate our activities with investee companies as a method of protecting and enhancing shareholder value. When we observe clear signs of mismanagement or determine that a company's strategy does not conform to stated policy or good corporate governance, we reserve the right to intervene with the company's Chairman and board members in order to protect shareholder value. These are often subjective assessments but will be based on our interpretation of statements made by the company, press reports, industry peer comparisons, perceived risks, discussion with relevant industry experts and other research we conduct on investee companies. We will endeavor to conduct any initial conversations with investee companies on a confidential basis. However, if boards do not respond constructively when institutional investors intervene, then we may consider whether to escalate our actions, for example, by holding additional meetings with management specifically to discuss concerns; expressing concerns through the company's advisers; meeting with the chairman, senior independent director, or with all independent directors; intervening jointly with other institutions on particular issues; making a public statement in advance of the AGM or an EGM; submitting resolutions at shareholders' meetings; and requisitioning an EGM, and in some cases proposing to change board membership.

***Principle 5***

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

When appropriate we may act collectively with other investors. If we determine this is in the best interests of our clients, we may collaborate with other investors with whom our interests are aligned and with due regard to the appropriate management of conflicts of interest and safeguarding price sensitive non-public information.

***Principle 6***

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

We will vote our shares in a responsible manner in keeping with our fiduciary duties to our clients. We do not have a policy of automatically supporting any board action nor do we wish to interfere with sound and legitimate management of an investee company. If we are unable to reach a satisfactory outcome through active dialogue with an investee company, then we reserve the right to register an abstention or vote against a proposed board action. We will endeavor to inform the company in advance of our intention and the reasons therefor.

***Principle 7***

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

We will report periodically on our voting activities, as necessary and appropriate to discharge our fund management responsibilities. Such reports may comprise qualitative as well as quantitative information, as we deem appropriate, giving due regard to confidentiality and the best interests of our clients.

For further information please contact Robert Lord at [rlord@toscafund.com](mailto:rlord@toscafund.com)