

# Shareholder Rights Directive II (SRD) – Engagement Policy Statement (Updated, April 2026)

## Introduction

The SRD aims to promote shareholder engagement and improve stewardship practices across the European Union (EU). The updated Directive, which has been implemented into domestic law in the United Kingdom, became effective as of 10 June 2019. SRD imposes transparency obligations on institutional investors (such as insurers and pension funds) and asset managers (such as investment firms providing discretionary portfolio management services) to the extent investments are made in shares traded on a regulated market, including certain markets situated outside the European Economic Area (EEA), and encourages long-term shareholder engagement. Under the UK MiFID regime, KFH UK (the Bank) is required to comply with the obligation to act in the best interests of its clients when placing orders with other entities for execution.

## Scope of document

This document only applies where the Bank provides discretionary portfolio management services and invests on behalf of clients in shares traded on a regulated market.

## Integration of shareholder engagement in the Bank's investment strategy

Under the Bank's terms of business, we have the contractual right to vote only on behalf of clients where we have a discretionary portfolio management mandate. The Bank manages investments across a wide range of financial instruments, principally managed by professionally qualified investment managers.

The level of engagement will tend to be proportionate to the Bank's significance as a shareholder and, thus, the scope of engagement will generally be limited where corporations are large relative to the size of the Bank's investment.

However, in instances where the Bank has a significant shareholding, 3% or more, the investment team will seek to maintain a significantly closer relationship with management and other shareholders and will seek to exert the Bank's influence in a more material way.

## Monitoring Investee Companies

As an integral part of the Bank's investment process, we monitor and analyse all companies and other issuers held in active portfolios. This may include the assessment of market data, publicly available information, consideration of ESG, voting research, attending meetings, and our own financial modelling.

Companies and other issuers held in active portfolios are discussed regularly within the investment team who consider strategy, financial and non-financial performance and risk, capital structure, social and environmental impact, and corporate governance.

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## Engagement

Where appropriate, we meet the management of companies and other issuers as part of our active investment process. We engage to understand the approach that management is taking to stewardship and ESG matters.

Where appropriate, the Bank will raise ESG or other concerns with companies and other issuers where we believe it to be in the interest of investors. Engagement may be undertaken through meetings, conference calls and correspondence.

## Collective Engagement

Where appropriate, the Bank will engage with companies and other issuers alongside other investors to address systemic issues such as climate change or to reflect company specific concerns shared by investors. We are careful to ensure that we respect the rules about acting in concert and other forms of collective action.

## Conflicts of Interest

The Bank maintains and operates effective policies and procedures to identify, manage, mitigate and, where appropriate, disclose actual or potential conflicts of interest that may arise in connection with its shareholder engagement activities.

Where a conflict of interest is identified, the Bank will take appropriate steps to ensure that engagement activities are conducted in the best interests of clients and in accordance with applicable regulatory obligations. Such steps may include internal escalation, information barriers, or, where necessary, refraining from engagement or voting.

## Voting

The Bank recognises the importance of voting rights, and the overriding principle is that we will vote in the best interest of our clients and this includes decisions over corporate actions, including rights issues, take-overs, etc.

We will vote against company management if appropriate, particularly where the management have not followed the combined code on corporate governance.

It is our policy not to abstain as we regard abstention as a vote wasted.

We do not use a proxy voting advisory service.

While the Bank will adopt a transparent approach in all aspects of its engagement activities, in certain circumstances, we will refrain from making public disclosures where the availability of such information is considered not to be in clients' best interests.

# Shareholder Rights Directive II (SRD) – Engagement Policy Statement (Updated, April 2026) Annual disclosure

The Bank will publicly disclose, on an annual basis, via its website, how this engagement policy has been implemented, including the following information, where applicable:

- The engagement policy statement implementation
- A general description of voting behaviour
- An explanation of the most significant votes
- Our policy over the use of the services of proxy advisors
- How the firm cast votes in the general meetings of companies in which it holds shares unless these votes are considered insignificant due to the subject matter of the vote or the size of the holding in the company

This Engagement Policy is reviewed periodically and at least annually to ensure continued compliance with applicable regulatory requirements, including the SRD, as set out in the FCA Handbook.