

RIT Capital Partners plc & J. Rothschild Capital Management Ltd

Engagement and Stewardship Policy

RIT Capital Partners plc (“RIT”) is a UK Investment Trust that invests in a widely diversified, international portfolio across a range of assets. It is managed by a wholly-owned subsidiary, J. Rothschild Capital Management Limited (“JRCM”). Through JRCM, RIT invests both directly and indirectly in quoted and unquoted equities. As such, this policy provides information in accordance with:

- The Principles contained in the Stewardship Code published by the Financial Reporting Council in 2010, and updated in 2012, for investments in quoted and unquoted equities.
- The Shareholder Rights Directive II and the associated FCA Rules in its Conduct of Business Handbook for investments in shares traded on a regulated market.

Engaging with investee companies is an important aspect of JRCM’s approach to managing RIT’s directly held quoted and unquoted positions, particularly where such engagement contributes to the performance of RIT’s underlying investments. Good engagement and stewardship are aimed at enhancing long-term value for RIT’s shareholders. This includes engaging on financial fundamentals, capital structure, relative performance, business risks and future strategy but also on sustainability, environmental, social and governance matters.

Where JRCM holds a directorship or a significant investment, typically on a holding in unquoted investments, it will engage directly with the senior management and/or Board of the investee company where possible. However, in many instances RIT does not hold a significant position in the investee company and, therefore, JRCM does not have direct access to the senior management or Board. This is typical of RIT’s holdings in quoted investments for large market cap stocks, where RIT is not a major investor. In these instances, engagement is likely to take the form of attending conference calls, investor presentations, roadshows and briefings.

As well as a small number of direct holdings described above, the majority of equity investments in RIT’s portfolio held indirectly and are managed by external managers selected by JRCM,



primarily through funds run by the external managers or in a small number of segregated accounts subject to the provisions of investment management agreements. In either of these cases, the responsibility for engaging with the companies in which RIT invests resides with the external manager concerned. This Statement does not therefore address the manner in which RIT's external managers engage with the companies which they select for RIT's investment. In the event that an external manager actively seeks RIT's input or involvement, then JRCM will engage in the same manner as for directly held quoted investments, as described in this policy.

More detail is provided below by addressing each of the principles of the FRC Stewardship Code and including any additional information pertinent to the requirements of the Shareholder Rights Directive II and associated FCA Rules. For further general information, please refer to RIT's most recent Annual Report & Accounts, available at www.ritcap.com.

Code Principle no. 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities

- For quoted investments, JRCM engages with investee boards when it is deemed to be in the interests of RIT's shareholders to do so. Assessing the financials, performance, strategy and sustainability of the company and the board are all integral to JRCM's investment approach.
- Engagement is normally conducted by the relevant member of the JRCM Investment Team.
- JRCM does not use the services of any external proxy voting agencies.

Code Principle no. 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed

- JRCM does not manage the assets of external clients other than RIT. Neither does JRCM have any financial interest or association with potential investee companies of RIT. Accordingly, no potential conflicts of interest in relation to stewardship have arisen.
- For this reason, JRCM does not have a written policy on managing conflicts of interest in relation to stewardship.

- Should any question arise regarding a conflict of interest in relation to stewardship, it would be passed to the RIT Conflicts Committee. This committee is comprised entirely of RIT independent non-executive directors.

Code Principle no. 3: Institutional investors should monitor their investee companies

- Quoted investee companies are monitored as a matter of course by JRCM's Investment Team. This includes the investee company's strategy, finance performance, non-financial risk, capital structure, corporate governance and social and environmental impact. Matters of concern are elevated to the JRCM Investment Committee, and action in accordance with the Code will be taken where appropriate.
- Interaction with quoted investee companies is typically via regular conference calls, investor presentations, investor briefings and investor roadshows. Attendance takes place both prior to and subsequent to RIT's investment in the company and on an ongoing basis. The investee companies provide information but there will typically also be opportunities for direct questions where relevant.
- For unquoted investees where RIT has Board representation, monitoring is regular and interactive. Where an external adviser represents RIT's interests on an unquoted investee Board, monitoring is also regular and interactive though restrictions on the passing of privileged information may exist in certain circumstances. In both instances, RIT's interests are ordinarily represented and voted at general meetings of the investee. The JRCM Investment Team and Investment Committee oversees the day-to-day engagement with investees. Where there is no direct or indirect Board representation, communication is maintained regularly and the updates sought in each case at least for each half year and full year unlisted investment valuations exercise.

Code Principle no. 4: Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.

- For quoted investees, active intervention will take place if it is believed that this is the course of action which is in RIT's best interests. The nature of that intervention will be tailored to the circumstances and will depend both on the matter that requires intervention and the size of RIT's shareholding.

- For unquoted investees where RIT has Board representation, open and regular dialogue with the investee's management is maintained on a regular basis and the level of communication and involvement will be increased if considered necessary. For unquoted investments where RIT does not have Board representation, the same principles apply notwithstanding the dialogue will be less frequent.

Code Principle no. 5: Institutional investors should be willing to act collectively with other investors where appropriate

- For quoted or unquoted investments, RIT will collaborate with other investors when it deems it appropriate, and where it is prepared to be bound by any restrictions that arise on its freedom of action as a consequence of engaging in a collective group.

Code Principle no. 6: Institutional investors should have a clear policy on voting and disclosure of voting activity

- RIT's policy on voting at investee shareholder meetings is as follows:
 - For quoted companies, RIT will vote where it holds a publicly notifiable interest, if a member of JRCM senior management holds a directorship or other senior executive position with the investee company, or if there are one or more items of business which JRCM believes requires voting on.
 - For unquoted companies, RIT generally votes through JRCM on all issues put to it.
- RIT has a global mandate and invests in quoted and unquoted positions, across a wide range of geographic and industry sectors. The circumstances of each investment are distinct and, therefore, an approach to voting applied across the board by reference to a published voting policy may not necessarily be in the best interests of RIT's shareholders. Each decision will be assessed based on the significance of the matter, the size of the RIT shareholding and the impact on the value to the RIT shareholder.

Code Principle no. 7: Institutional investors should report periodically on their stewardship and voting activities

As disclosed under Code Principle no. 6 above, there is no disclosure of RIT's voting records, nor is there an external audit opinion on its adherence to voting policies, though the existence of this Policy and a commentary on its execution is contained in RIT's Annual Report & Accounts. The annual disclosure required by the FCA rules is also included in RIT's Annual Report & Accounts.