

UK Stewardship Code

Under COBS 2.2 of the Financial Conduct Authority Handbook, Andurand Capital Management LLP (“Andurand”) is required to make a public disclosure in relation to the nature of its commitment to the UK Stewardship Code (the “Code”) which was published by the Financial Reporting Council (“FRC”) in July 2010.

The 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. It sets out good practice on engagement with investee companies and is to be applied by firms on a “comply or explain” basis. The FRC recognises that not all parts of the Code will be relevant to all institutional investors and that smaller institutions may judge some of the principles and guidance to be disproportionate. It is of course legitimate for some asset managers not engage with companies, depending on their investment strategy, and in such cases firms are required to explain why it is not appropriate to comply with a particular principle.

The seven principles of the Code are that institutional investors should:

- Publicly disclose their policy on how they will discharge their stewardship responsibilities.
- Have and publicly disclose a robust policy on managing conflicts of interest in relation to stewardship.
- Monitor their investee companies.
- Establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.
- Be willing to act collectively with other investors where appropriate.
- Have a clear policy voting and disclosure of voting activity.
- Report periodically on their stewardship and voting activities.

Andurand Capital Management LLP does not currently comply with the Code for the following reasons:

- Andurand is a private fund management company specializing in fundamental strategies in the oil and energy complex.
- The investment universe spans the entire commodities spectrum including energy, metal, agriculture as well as currencies but **not** equities.
- The main portion of the investment is in the form of commodity derivatives.

Should any of the above factors change, Andurand will review its commitment to the Code at that time and make the appropriate disclosure.

Andurand Capital Management LLP

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