

# PARUS FINANCE

## Parus Finance (UK) Limited Shareholders Rights Directive II (“SRD II”)

### Introduction

The Firm is a MIFID investment management firm / Full-Scope Alternative Investment Fund Manager.

### SRD II

Article 3g of SRD II, which is summarised in the FCA Handbook under COBS 2.2B, requires a firm such as the Firm to either:

- develop and disclose an engagement policy describing how the firm integrates shareholder engagement in its investment strategy; or
- disclose why the firm has chosen not to comply with those requirements.

Such an engagement policy requires a firm to describe how it:

- integrates shareholder engagement in its investment strategy;
- monitors investee companies on relevant matters, including;
  - strategy
  - financial and non-financial performance and risk
  - capital structure
  - 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.

The above engagement policy is limited to the extent that a firm invests on behalf of investors in shares traded on a regulated market (or on third country markets that meet comparable requirements and where the shares dealt in are of a quality comparable to those in a regulated market in the UK).

### The Firm’s approach to engagement

On an annual basis, the firm must disclose a general description of voting behavior, an explanation of the most significant votes and reporting on the use of services of proxy advisors. The disclosure must include how votes have been cast unless they are insignificant due to the subject matter of the vote or to the size of the holding in the company.

Parus Finance believes firmly in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and the investee companies.

In the last year, the Funds managed by Parus Finance have not held equity positions in UK listed companies above 3% of any investee companies issued share capital and has not participated in any proxy voting. Accordingly, Parus Finance is deemed to exercise an ‘insignificant’ influence over the management of its investee companies and does not expect that this will change in the foreseeable

# PARUS FINANCE

future, therefore is not engaging in Corporate Governance matters as defined by the SRD II.

Parus Finance will update this disclosure should there be any significant changes to the size of its equity holdings and/or at least on an annual basis.