

The UK Stewardship Code (“the Code”)

The Code, published by the Financial Reporting Council, sets out good practice for institutional investors to aspire to when engaging with the UK listed companies in which they invest. The Code is applied on a “comply or explain” basis.

The Principles of the Code are as follows:

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

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.

Principle 3: Institutional investors should monitor their investee companies.

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.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

It should be noted that compliance with the Code does not constitute an invitation to manage the affairs of investee companies or preclude a decision to sell a holding, where this is considered in the best interest of end-investors.

This Code is complementary to the UK Corporate Governance Code.

Introduction

Egerton Capital Limited (“ECL”) is a UK based asset management group which was established in 1994 and now manages assets of US\$4.5 billion.

ECL pursues a long / short equity strategy that involves it investing in equities. The Code is therefore relevant to some aspects of its trading. In compliance with the aims of the Code, ECL seeks to enhance the quality of engagement with companies to help improve long-term returns for its clients. ECL generally supports the aims and principles of the Code.

If you have any questions regarding this statement or ECL’s approach to the Code, please contact ECL’s Compliance Officer.

The following is a brief description of how ECL believes it fulfils the aspirations of the Code:

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

This policy is published so that investors and investee companies are aware of the way in which ECL integrates stewardship activities into its investment process. ECL has outlined in this statement each of the principles of the Code and how it complies with them or explains why it does not.

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.

ECL maintains a robust policy on managing conflicts of interest which ensures its decisions are taken wholly in the interest of its clients. In compliance with the FSA rules, ECL ensures that all potential and actual conflicts are identified, evaluated, managed, monitored and recorded. All reasonable steps are taken to prevent conflicts of interest. A copy of ECL's Conflict of Interest Policy is available upon request from ECL's Compliance Officer.

Principle 3: Institutional investors should monitor their investee companies.

Comprehensive and continuous research and monitoring of investee companies is essential to ECL's investment process. ECL utilises various research and support tools to meet this principle. ECL does not wish to be made insiders in normal circumstances, and therefore expects investee companies and their advisers to ensure that information that could affect ECL's ability to deal in the shares of the company concerned is not conveyed to ECL without its prior agreement.

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.

ECL's investment strategy is to build effective relationships with boards and management at the companies in which it invests. ECL considers each vote on an individual basis in the light of the relevant circumstances at the company. It may also hold meetings with companies to discuss issues. Where ECL believes that it is no longer in the best interests of its clients to continue to hold the shares of a company, it will reduce or eliminate the position.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.

In applying client policies and best practice guidelines, ECL considers each vote on an individual basis in the light of the relevant circumstances at the company. ECL may communicate with other shareholders regarding a specific proposal but will not agree to vote in concert with another shareholder without approval from ECL's Compliance Officer.

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

Where clients of ECL have delegated proxy voting authority to ECL it will consider voting proxies in a manner intended to maximise the value of the investments for its clients. There is no guarantee that all votes will be cast and votes will only be exercised when there is strong conviction that it is in the best interests of the clients to vote accordingly. It is not ECL's usual policy to attend General Meetings, but on occasions may do so. When voting proxies, ECL will consider the recommendation of management but will not support the position of a company's management if ECL determines that such a position is not in the best interests of the company's shareholders.

Due to underlying client confidentiality and investment strategy reasons, ECL will not normally disclose voting actions at a detailed level. Upon request from a client or as required by law or regulation, ECL will disclose the manner in which ECL exercised voting rights on behalf of the client in relation to specific companies. ECL will not normally disclose its voting intentions, but may inform parties of the provisions of this policy.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

Nothing in this policy should be interpreted as to prevent dialogue between the company, its advisers and ECL if a company approaches ECL to discuss governance issues or resolutions they wish to include in their proxy statement that is allowed under applicable law. This Stewardship Code Disclosure will be reviewed and updated, if necessary, on an annual basis.

December 2010.