

# Corporate Governance and the UK Stewardship Code

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Oxford Capital endeavours to act responsibly and fairly in all its dealings, whether dealing with or on behalf of the funds/portfolios it manages, their investors and Boards, potential and existing investee companies, staff, suppliers and other stakeholders.

Oxford Capital invests for the longer term and works with its investee companies to grow shareholder value to the benefit of all parties.

Oxford Capital endeavours to ensure that its investee companies recognise their responsibilities to all stakeholders, including shareholders, customers, suppliers, employees, local communities, the environment and wider society. Oxford Capital also endeavours to ensure that its investee companies operate in a long term sustainable manner, thereby creating stronger and more profitable companies, with a view to generating growing shareholder value and increasing returns for its investors over the long term. Oxford Capital encourages all of its investee companies to adopt current best practice with regard to corporate responsibility.

### **The UK Stewardship Code**

The UK Stewardship Code (the Code) issued by the Financial Reporting Council (FRC) 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. Engagement includes pursuing purposeful dialogue on strategy, performance and the management of risk.

The Code sets out seven principles, which support good practice on engagement with UK investee companies and to which the FRC believes institutional investors should aspire.

The Code is directed in the first instance to institutional investors with equity holdings in UK listed companies. Oxford Capital does not generally invest in UK listed companies. Nevertheless, it follows the Principles of the Stewardship Code as explained below.

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

The strategy of Oxford Capital is to invest Growth Capital in unquoted companies and to invest in companies in the Infrastructure sector. In most cases, Oxford Capital as Investment Manager is a high engaged investor, typically having the right, which it exercises, to attend Board meetings of portfolio companies either as a Director or Observer. Oxford Capital will enter into shareholder agreements and other documentation when it makes investments in unquoted companies giving it the potential for significant engagement. Oxford Capital regularly engages with investee companies regarding ESG (Environmental, Social and Governance) issues.

Oxford Capital publishes its Policy on Corporate Governance and Stewardship on its website – [www.oxcp.com](http://www.oxcp.com)

**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.**

Oxford Capital has an effective Conflicts of Interest Policy and continually monitors for conflicts as part of its internal procedures. Any conflicts of interest arising through its stewardship of investee companies will be handled in accordance with that policy.

**Principle 3 - Institutional investors should monitor their investee companies.**

See also comments under Principle 1.

Oxford Capital plays an active role in monitoring investee companies. A core part of Oxford Capital's investment process is engaging with company boards of investee companies. There is regular dialogue with company management. In discussions with company boards and senior non-Executive Directors, Oxford Capital will explore any concerns about corporate governance where these may affect the best interests of clients, together with any other matters of particular value to shareholders.

**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.**

Oxford Capital complies with Principle 4 by its investment managers playing an active role in the governance matters of investee companies. Initially any issues / concerns would be raised by Oxford Capital's Investment managers through its process of ongoing dialogue and company meetings. Where an Investment Manager believes an issue is significant enough to be escalated, this will be done through Oxford Capital's Investment Committee and a course of action agreed to secure the most appropriate outcome for Oxford Capital clients/shareholders.

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

Oxford Capital is often one of a number of investors in portfolio companies and works closely with other investors. Oxford Capital encourages collective engagement in cases where objectives between parties are mutually agreeable.

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

Oxford Capital invests primarily in unquoted companies. It has a policy of active engagement with investee companies and, wherever possible, exercises its votes. Where it has a seat on the board of an investee company, Oxford Capital is committed to voting on behalf of its underlying investors. Whilst records of Oxford Capital's voting instructions are maintained, Oxford Capital does not report specifically on its voting activity. On specific requests from clients, and if appropriate to do so, Oxford Capital may provide records. Oxford Capital retains records of the rationale behind any voting decisions.

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

Active engagement is at the heart of Oxford Capital's investment process. Clients have online access to all relevant information concerning their investment, including updates on the performance and stewardship of investee companies. Formal reports on investee companies are sent to investors on at least a six monthly basis. Oxford Capital arranges an annual investor meeting at which management teams of portfolio companies report on the progress of their companies.