

Family Investment Management Limited

Shareholder Rights Directive: Engagement Policy

1. Introduction

This policy sets out the way in which Family Investment Management Limited (“FIML” or “the firm”) engages with the companies in which it invests, under the requirements of COBS 2.2B.

Strong engagement is important as it promotes good corporate governance and ensures that consideration is given to the way in which the interests of FIML’s customers are related to the investments held on their behalf.

The firm takes its responsibilities in this area very seriously. As part of the OneFamily mutual friendly society group it considers its primary obligation is to look after the interests of its customers.

2. How FIML integrates shareholder engagement with its investment strategy

FIML is a management company of collective investment schemes. Where these schemes invest in companies, the investments are managed by an external asset manager, State Street Global Advisors (“SSGA”), who also manage shareholder engagement on the firm’s behalf.

When appointing an asset manager, the OneFamily group undertakes a tender process which assesses a range of factors, including not only the manager’s investment approach and fees, but also factors such as their values and cultural fit with the group and the approach they take to engagement with the investee companies.

The investment strategies of the collective investment schemes managed by FIML are set by the FIML Board and managed by the Executive Investment Committee (“EIC”). The EIC meets on a regular basis to review the performance of the asset managers, including their engagement record, to ensure that it forms part of an integrated investment strategy.

3. FIML’s approach to monitoring investee companies, maintaining dialogue, exercising voting rights, co-operating with other shareholders and communicating with relevant stakeholders of the investee companies.

The above activities are all delegated by FIML to its asset manager, SSGA, who acts as a proxy advisor to the firm. SSGA have the requisite expertise, experience and infrastructure to be able to undertake this activity. They have in place appropriate policies and methodologies that enable them to discharge these duties appropriately and to be able to provide detailed reports on the activities they have undertaken.

SSGA produces its own Stewardship Policies that describe its approach to how it monitors investee companies, covering areas such as strategy, financial and non-financial performance and risk, capital structure and their approach to corporate governance and environmental and social impacts of the company. SSGA provides information on how the asset manager engages with the investee companies, publishes

its own data in respect of its approach to stewardship, its engagement policies and its voting activity. Details are provided on SSGA's websites, as below:

- State Street Global Advisors
Website: www.ssga.com

The EIC meets with SSGA on a regular basis to review its performance and to consider how the asset manager has discharged its obligations in respect of these requirements.

The OneFamily Group (encompassing FIML) also undertakes compliance monitoring reviews of the asset manager, which includes consideration of the asset manager's approach to stewardship and engagement.

Managing actual and potential conflicts of interest in relation to the firm's engagement

FIML has not identified any actual or potential areas of conflict arising in respect of its engagement through the asset managers with investee companies. Potential conflicts of interest are considered by the Board and the EIC on a regular basis.