



UK Stewardship Code Disclosure Statement

November 2018

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Arjun Infrastructure Partners Limited (“AIP”) is required to make a public disclosure in relation to the nature of its commitment to the UK’s Financial Reporting Council’s Stewardship Code (the “Code”), in accordance with the requirements set out in COBS 2.2.3R and COBS 2.2A.5R of the Financial Conduct Authority Handbook.

The Code is directed at institutional investors, which in the context of the Code, means both asset owners and asset managers (such as AIP) with equity holdings in UK listed companies. 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 provides a set of principles and guidance for how institutional investors should perform their duties. It is to be applied by firms on a “comply or explain” basis.

The Financial Reporting Council (“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 to 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.

AIP offers investment management services to institutional investors. AIP principally invests in privately held equity and debt in respect of infrastructure assets on behalf of its investors.

While AIP respects the general objectives of the Code, not all provisions of the Code are relevant to the type of investment activities currently undertaken by AIP. Therefore, AIP only complies with the provisions of the Code relevant to the type of investment activity currently undertaken by AIP as set out in this disclosure statement. If AIP’s investment strategy changes in time, such that additional provisions of the Code become applicable, AIP will amend this disclosure accordingly.

Seven principles of the Code that institutional investors should follow:

1. Publicly disclose their policy on how they will discharge their stewardship responsibilities;
2. Have a robust policy for managing conflicts of interest in relation to stewardship and publicly disclose this conflicts of interest policy;
3. Monitor their investee firms;
4. Establish clear guidelines on how and when they will escalate their investment activities in order to enhance shareholder value;
5. Act collectively with other investors if appropriate;
6. Establish a clear policy on voting and disclosure of voting policy; and
7. Report periodically on stewardship and voting activities.

AIP's compliance with each of the seven principles of the Code are detailed, in turn, below:

1. Policy on discharging stewardship responsibilities

Investment recommendations are based on AIP's own research and structuring of transactions into those assets in which it is intending to invest. This research may be supplemented with independent reports and other data, in order to arrive at AIP's own assessments of the asset. The process puts emphasis on the long-term investment decision and includes on-going monitoring and a review of the assets through the appointment of AIP representatives onto the boards of the project companies that hold the assets.

2. Policy on managing conflicts of interest in relation to stewardship

As a privately-owned company which advises on and invests primarily in illiquid assets, AIP does not encounter some of the conflicts faced by larger asset managers who deal with large volumes of clients and liquid assets. AIP has therefore determined that it is not appropriate to publicly disclose its conflicts of interest policy. Notwithstanding this, AIP has a detailed conflicts of interest policy in place, stipulating that AIP has a duty to act in the best interests of its investors. Should a conflict arise, AIP's senior management will take appropriate steps to ensure fair treatment of all of investors, including disclosure of the conflict to affected investors.

3. Monitoring of Investee Companies

In most circumstances, AIP will appoint representatives to the boards of the project companies in which it invests, in order to influence the creation of shareholder value and the corporate governance framework ensuring its legal and fiduciary duties are met.

4. Guidelines on escalation

Through its representation on the boards of project companies, AIP is able to ensure that those issues which protect and enhance shareholder value are actively considered on a continuing basis.

5. Acting collectively with other investors

Where AIP has majority control of a project company, it may be able to initiate change independently of any other investor. In circumstances where it has a minority interest or where outside minority consent is required, it will engage investors in activities related to the project

company. In cases where AIP's investors invest alongside other investors, the governance of the investment will be subject to a shareholders' agreement agreed between the parties.

6. Policy on voting and disclosure of voting activity

AIP's representatives, in their capacity as directors of project companies, will actively consider the interests of the companies' stakeholders when voting on any resolution that is proposed. Any decision will be made after due consideration of the facts. AIP representatives will not actively seek to disclose the voting activity of its representatives except when required by law, due to commercial sensitivities that exist at the project company level.

7. Reporting on stewardship and voting activities

To date, AIP has not invested in listed companies and therefore has no voting history to disclose.