
DISCLOSURES ON THE UK STEWARDSHIP CODE

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Quaero Capital LLP is registered in England as a limited liability partnership (No. OC314014)
A list of members' names is available for inspection at the registered office address shown
above
Authorised and regulated by the Financial Conduct Authority

Quaero Capital LLP – Disclosures on the UK Stewardship Code

Under COBS 2.2.3R of the FCA Handbook, Quaero Capital LLP (“Quaero Capital”) is required to make a disclosure on its website in relation to the nature of its commitment to the UK Stewardship Code, which was published by the Financial Reporting Council (“FRC”) in July 2010.

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 sets out good practice on engagement with investee companies and is to be applied by firms on a “comply or explain” basis.

The 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. In such cases firms are required to explain why it is not appropriate to comply with a particular principle.

The seven principles of the Code together with Quaero Capital’s response in each case are set out below:

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

Quaero Capital has its own internal policies on risk management including policies on proxy voting and conflicts of interest to which it will adhere in relation to its 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.

Quaero Capital, in compliance with its regulatory obligations, has adopted a formal conflicts of interests policy which is reviewed and updated at regular intervals. A copy of Quaero Capital’s conflicts of interests policy is available to customers upon request from the Compliance Officer.

Principle 3: Institutional investors should monitor their investee companies.

As part of the investment process, Quaero Capital’s fund managers conduct face to face meetings with many of their investee companies during the course of a year and also monitor news-flow, information and developments in investee companies on an ongoing basis using brokers’ research.

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.

Quaero Capital has not adopted written guidelines on escalation. Our default position is to vote with management but we will vote against if we feel strongly about a particular issue.

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

From time to time Quaero Capital may act in conjunction with other shareholders but normally it acts individually. Any action in concert with other shareholders would require the prior approval of the Compliance Officer to ensure there is no breach of confidentiality or of any relevant regulation.

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

Quaero Capital will normally vote with management on routine matters. On non-routine matters it will make independent decisions irrespective of any management recommendation.

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

Quaero Capital will report to individual clients on request and generally in accordance with any applicable legal or regulatory obligations.