

Shareholder Rights Directive

The Shareholder Rights Directive II (SRD II) is a European Union (EU) Directive which came into force on 10 June 2019. One of the aims of the Directive is to promote effective stewardship and long-term investment decision making amongst regulated financial services firms.

As a responsible investor, The Exeter is committed to ensuring good practises for our underlying investments and the external Asset Manager we appoint. We believe the consideration of relevant environmental, social and governance (ESG) are important and therefore seek to integrate ESG considerations in our investment process. The ESG approach is already applied to a number of our existing investments.

Royal London Asset Management (RLAM) have been appointed as our professional investment managers, in line with our Investment Risk Management and associated Policies. We believe the appointment of an investment manager is necessary to ensure investments are managed with the appropriate degree of expertise and experience.

We ensure that our arrangement with RLAM does not create any incentives that lead to behaviour that is not in The Exeter's best interests nor the interests of our members. Our strategy is aligned to the investment beliefs set out by RLAM in its Stewardship & Responsible Investment Report and as such we have decided that a formal Engagement Policy is not required by The Exeter.

With close oversight from The Exeter's Investment Committee, RLAM are responsible for the management of The Exeter's investment funds.

As part of the controls in place to monitor RLAM and their performance, The Exeter:

- Defines and assesses the guidelines and benchmarks in our agreement to ensure investment strategies meet our long and short-term requirements.
- Receives reports from RLAM regarding fund performance.
- Reviews the performance of RLAM and the performance of the investments in general.

The Exeter's Investment Committee is responsible for monitoring the performance of RLAM and compliance with our Policies. The Terms of Reference can be found [here](#).

Approved by the Board

14 December 2021