

SV Health Managers LLP The UK Stewardship Code Statement of Commitment

SV Health Managers LLP (“SVHM”) is a London based investment firm that primarily undertakes Venture Capital management, which is an activity which is exempt from the requirements of the UK Stewardship Code (“the code”). In addition, a portion of the business is to provide discretionary management investment services to a UK Listed Investment Trust, International Biotechnology Trust plc (“IBT”) (Ticker IBT.L, www.ibtplc.com). The services provided to IBT are considered to fall under the Stewardship Code.

This statement is intended to describe SVHM’s approach to the Financial Reporting Council’s (“FRC”) UK Stewardship Code in relation to the discretionary management investment services provided to IBT.

The Code was published by the FRC, the United Kingdom’s independent regulator responsible for promoting high quality corporate governance and reporting in order to foster investment. The Code aims to enhance the quality of engagement between institutional investors and companies they invest in. Engagement includes pursuing purposeful dialogue on strategy, performance and the management of risk, as well as on issues that are the immediate subject of votes at general meetings.

SVHM supports the principles underlying the Code and believes firmly in the importance of corporate governance driven by strong boards and executive leadership and sound governance policies that protect and enhance long term shareholder value. Where appropriate, we seek to engage effectively with the managements of firms we invest in to understand better the potential risks and returns in order to achieve optimum returns for our clients. We have set out below the approach taken to the Code principles and explained the approach taken where we consider it not appropriate to our business.

In compliance with the aims of the Stewardship Code, SVHM seeks to enhance the quality of engagement between its clients and companies to help improve long-term returns.

Principle 1

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

We support the purpose of the UK Stewardship Code and believe regular dialogue with investee companies is a key component of our investment process and helps develop our knowledge of the investee’s business strategy, future prospects, attitude to risk, corporate governance and board cohesion.

Dialogue with investee companies allows us to convey our views on our investment and, where necessary, we will intervene by raising our concerns with the board and its representatives. In the exceptional circumstances outlined below we may engage with other investors to raise our mutual concerns. We acknowledge that investee company management may have more information at their disposal and that may justify variance from UK corporate Governance practices. However, should our concerns remain unresolved, it may sufficiently alter the original investment hypothesis such that we decide to sell or reduce our investment.

Stewardship considerations are an integral part of our investment process. Members of our team frequently sit on the Board of unquoted investment companies, which provides us with a lot of detail

on the company in which we have invested. Issues associated with investee companies are discussed informally in real time and more formally at set periods during the year. In this way we seek to ensure the investee board and management comply with relevant governance codes.

We endeavour to exercise proxy votes at all shareholder meetings. Our investment managers make voting decisions based on our knowledge of the investee company and the dialogue described above. We periodically report on our proxy voting decisions to our clients.

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.

The firm is authorised and regulated by the Financial Conduct Authority (“FCA”), which requires firms to identify, and mitigate any conflicts of interest between itself, its clients, and between clients that may result in a loss to them. We maintain a conflicts of interest policy and register to satisfy this requirement, which is subject to regular management review.

We act as investment managers with a fiduciary responsibility to act in the best interest of our clients. We have a policy for dealing with conflicts of interest so that they can be identified and managed as and when they arise.

Principle 3

Institutional investors should monitor their investee companies

We are of the firm opinion that continuous monitoring of investee companies is a fundamental responsibility of an asset management firm. For quoted investments, we monitor a comprehensive range of information (such as strategy, financial and non-financial performance and risk, capital structure, and social and environmental impact and corporate governance) from financial analysis of publicly available information, market intelligence from peers, broker research, fundamental analysis and meetings with the board and senior managers. For unquoted investments, we follow their progress through a combination of the information we gather from being on the board and combine that with the data we gather as part of the reporting requirement we agree with them legally as part of the investment.

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.

SVHM actively engages with investee company management regularly as part of our fundamental investment process, which seeks to optimise investment returns. We view engagement as a two way communication process: a means of enhancing our knowledge of the investee company and as a means for conveying shareholder concerns. We seek to engage with boards on a confidential basis to constructively resolve any concerns and allow them to explain their position. We have not defined a prescriptive basis for escalation because the circumstances will vary from case to case. However, where our dialogue fails we may be prepared to escalate our concerns by acting collectively with other shareholders, subject to legal and regulatory constraints. Failing that, if we perceive the concern has changed the investment thesis, we may sell or reduce our holding. As investment professionals, we believe we are best placed to act in our clients’ best interests.

Principle 5

Institutional investors should be willing to act collectively with other investors where appropriate

We believe we have sufficient expertise and knowledge of investee companies to deal with any concerns that we might have about the investee company's business activities, strategy or corporate governance. In most cases, we would expect to engage with the board on our own initiative or we may decide to dispose of or reduce our holding. However, in certain circumstances, where we believe the issue is of significance and wish to retain our holding, we recognise that collective action with other shareholder may be more effective.

We will only act collectively where we are satisfied it will not breach legal, regulatory, market conduct or confidentiality obligations applicable. Any collective action will only be used to raise legitimate concerns about corporate issues and/or governance issues. The actions may include discussions with other shareholders about concerns to be raised with the board, joint representations by shareholders to the board and agreement between shareholders to vote in a specific way.

Principle 6

Institutional investors should have a clear policy on voting and disclosure of voting activity

SVHM aims to exercise proxy voting rights on behalf of our clients for every investee company regardless of geographic location. The voting decisions are based on in-depth research and knowledge of the investee company. We believe that exercising voting rights is an important responsibility of institutional shareholders and helps improve corporate governance standards and holds management to account.

SVHM will draw its own conclusions based on its knowledge of the investee company and will vote based on those conclusions, which may be in opposition to the investee's board. If appropriate, we would seek to engage the board prior to voting to explain our conclusions and resolve differences of opinion.

Principle 7

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

We will report our proxy voting and engagement activities and findings to clients who request that information. This will include information on votes and explanation behind the decision.

However, we will not make detailed disclosure on the nature of that activity or conclusions drawn as the information may be confidential, subjective and is often used to inform our investment decisions. As such, our investment performance will reflect whether our engagement with investees has been effective.

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