

PROSPERITY CAPITAL MANAGEMENT (UK) LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

Statement by the director on performance of his statutory duties in accordance with S172 (1) Companies Act 2006

The board of directors of Prosperity Capital Management (UK) Limited have considered, both collectively and individually, that they have acted in a way they consider that, in good faith, would be mostly likely to promote the success of the company for its member and its stakeholders as a whole. The directors have considered the requirements of Section 172 (1)(a) to (f) as follows:

a) The likely consequences of any decision in the long term

The directors consider the medium and long term impact of decisions when formulating plans and strategic direction for the company. The directors set long term plans in agreement with the company's member, Prosperity Capital Management Limited, with annual forecasts being prepared.

b) The interests of the company's employees

The directors consider our people to be our greatest asset and the interests of our employees are always taken into consideration in the decisions that are made. An "open" environment is encouraged and the company aims to be a responsible employer in its approach to employee matters including pay and benefits, diversity and inclusion, training, development and career opportunities.

c) The need to foster the company's business relationships with suppliers, customers and others

Management work closely with our clients to ensure they are kept abreast of the broad investment strategy for the short and medium term. Management work closely with suppliers to build long term relationships and common goals. Our aim is to work with our suppliers in an environment that reflects the values and behaviours we would expect from our own people, including ensuring they adhere to our strict anti-bribery and corruption policies. The directors endeavour to ensure that credit terms are met.

The directors continue to strive for the highest standards to ensure the company continues to maintain its Financial Conduct Authority authorised status.

d) The impact of the company's operations on the community and environment

The directors are mindful of the business impact on the general community and the society we operate within. The directors regularly consider our environmental impact, and seek to reduce wherever possible our environmental footprint.

e) The desirability of the company maintaining a reputation for high standards of business conduct

The directors believe it is crucial that the company is trusted by all stakeholders to maintain the highest standards in business and corporate governance. The intention is to behave responsibly and ensure that management operate the business in an accountable manner and, in doing so, will contribute to the continued success of the company.

f) The need to act fairly as between members of the company

The company has one member, Prosperity Capital Management Limited, and the directors have regular and open dialogue with its representatives. The directors consider on a year by year basis the capital allocation and dividend policy, after taking into account the events and position of the company. The company has a track record of declaring dividends to ensure a suitable return on investment.