BNY | INVESTMENTS
NEWTON

Newton Investment Management Limited
Notes to the financial statements
For the year ended 31 December 2025

Section 172 statement

Under section 414 of the UK 2006 Companies Act, the Company is required to include a section 172 statement, describing how it has had regard to those matters set out in section 172 of the Companies Act during the period in question. In addressing these matters, we would like to expand on the following:

Business relationships with suppliers, customers and others

- The Board oversees the functioning of the Company's operations, including any operational services provided by third parties or affiliates. The Board's oversight includes any strategic considerations regarding potential outsourcing opportunities, and specifically whether they may bring efficiencies, cost or otherwise, to the business and benefit to its shareholders.
- In March 2025 it was announced that the Company's operations and distribution business areas would move into a BNY enterprise platform during 2025 (to be aligned with similar functions for other affiliated BNY investment management legal entity firms). Good progress has been made during 2025 integrating the business areas into the platform. These changes were initiated to allow the Company to continue to deliver a high-quality service and investment outcomes to clients, whilst optimising synergies across BNY, with no changes made to the Company's investment approach and philosophy. The expectations of key stakeholders, including clients, employees and regulators, were taken into account by the Board when the restructuring plans were developed and approved, with a particular focus placed on ensuring that stakeholders' interests were fully considered. The FCA was notified of this planned change, with the Board kept regularly updated on progress during 2025.
- As part of the Company's governance framework, an Outsourcing Oversight Group generally meets at least quarterly to ensure that all the Company's outsourcing relationships are appropriately managed, that all regulatory requirements in relation to outsourcing are adhered to, and that the wider Company vendor management process is robust and effective.
- The Board annually reviews the financial plan and strategic plan and receives updates on key milestones and progress.
- During 2025, the Company has increasingly partnered with BNY in the delivery of products for clients. This partnership enables the Company to deliver meaningful progress to its clients through innovative investment solutions.
- The Company has adopted BNY's values which are: be client obsessed, spark progress, own it, stay curious and thrive together. These values support better outcomes for clients.
- The BNY accounts payable team ensures payments are made on behalf of the Company to suppliers in a controlled manner and on a timely basis. The Company publishes data in line with the Reporting on Payment Practices and Performance UK Regulations.
- The FCA Consumer Duty regulation was effective from 31 July 2023, and work has continued across the Company during 2025 to ensure that practices have been updated to reflect the requirements. The Company is impacted since it is an appointed investment manager to a range of products that are ultimately sold to UK retail investors. Periodic updates continue to be presented to the Company's Board Risk Committee.

- The Company is committed to a culture of "doing the right thing". Examples of initiatives in this space include policies to cover conflicts of interest and also stringent conditions around personal account trading. The Company's Modern Slavery Statement is available on its website, outlining expectations of standards that all suppliers should adhere to.

Employees

- Company employees were informed during 2025 that their employing entity would change to a different BNY legal entity on 1 January 2026. This change was in conjunction with the operations and distribution business areas moving into a BNY enterprise platform in 2025. In compliance with TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006), employees were consulted with, and employee representatives appointed to communicate information to impacted employees. The consultation process was conducted in a timely manner and employees received written confirmation of the transfer of their employment. The impact on employees was carefully considered by the Board, including how conflicts of interest would be identified, managed and mitigated in the context of employees supporting more than one entity within BNY.
- The Board acknowledges the importance of ensuring an equitable and inclusive culture and the positive impact diversity has on the long-term success of the business, leading to better outcomes for clients and employees. An inclusive culture also encourages the open sharing of different opinions and perspectives.
- The Company undertakes regular employee engagement activities. In 2025 this included regular Chief Executive Officer ("CEO") all employee town halls focusing on the financial and economic factors affecting the performance of the Company. The Company also undertook regular CEO and executive communication sessions, at which senior managers explained to employees decisions likely to affect their interests, in addition all employee emails were provided regularly to update on relevant topics.
- Regular employee surveys continued during 2025 to review the Company's culture from its employees' perspective. Feedback was consolidated and assessed, and ultimately a set of recommendations was prepared to support the continued enhancement of the Company's culture in line with its stated values. In addition, some skip level employee meetings were conducted to provide employees with a further opportunity to share their thoughts about working at the Company.
- Company employees have access to BNY's learning experience platform, which offers a wide range of resources including articles, courses and videos which are tailored to employees' interests and career goals.
- The Company provides tools, policies, and guides that support employee wellbeing, mental health, and resilience, including manager training guides, training courses, tips, and an Employee Assistance Programme.
- The Company adopts a total reward and pay for performance remuneration philosophy. Any variable remuneration incentives are discretionary (past performance and future contribution focused), based on individual and Company performance together with other factors as determined from time to time in the context of the Company's operating plans and results and may be subject to deferral.
- For performance year 2025, all employees of the entity whose incentive is subject to deferral received awards in Bank of New York Restricted Stock.
- For employees whose roles are directly linked to investment activities a portion of their deferral is linked to the performance of a basket of Newton managed portfolios. By giving these employees an economic stake in the products provided to clients, the Company is aligning their interests with those of other stakeholders

- The Board receives regular data from the People Team addressing the outcomes of the Company's people agenda including recruitment and inclusion.

Impact on the Community and Environment

- The Company's London office has been awarded a BREEAM "Excellent" certification, which is the UK's leading building sustainability standard.
- In its capacity as an Investment Manager, the Company has been a signatory to the UK Financial Reporting Council's ("FRC") Stewardship Code since its inception in 2010. The Code represents a set of stewardship principles that embed a high standard of engaged and responsible ownership. It places an expectation on demonstrating strong practice across the full investment value chain – from ESG integration in the assessment of certain investment opportunities to active ownership and to reporting. The FRC started undertaking annual assessments in 2021 and the Company has maintained its signatory status. The assessment was based on the Company's annual Sustainability and Stewardship report covering 2024 activities.
- The Company has been a signatory of the UN Principles for Responsible Investment ("PRI") since 2007. In 2025, for the year 2024, PRI scores remained largely similar to the prior year.
- The Company currently runs a range of equity, fixed-income, and multi-asset strategies, some with a particular focus on Sustainable Investment.
- In 2024, BNY Investments established a Sustainability Council on which the Company is represented and continued to provide representation during 2025. The purpose of this forum is to oversee the coordination of sustainability matters across the BNY Investment affiliates and drive strategic alignment on sustainability (where feasible) in collaboration with the BNY Enterprise.
- The Company recognises climate change can be a material issue and discloses its approach to this through the Taskforce for Climate-related Financial Disclosures ("TCFD") reporting process (which it began in 2018) and became a signatory to the Net Zero Asset Management Initiative ("NZAM") in 2021. In 2025, NZAM as an organization paused its operations to undergo review. It recommenced and revised its commitment for members to rejoin. The Company collaborated with BNY to review and approve internally, which was finalized in early 2026.

Standards of Business Conduct

- The Company is regulated by the FCA and operates within the rules of the FCA, and the restrictions as defined within its regulatory license; is also licensed to provide on a cross-border basis in Italy, portfolio management services under Article 1, paragraph 5, letter d) of the Italian Legislative Decree No. 58 of 24 February 1998 ("Italian Financial Act"), and is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940.
- The Board conducts an annual effectiveness review to evaluate the Board's performance, governance processes, culture and composition, ensuring it is fit for purpose and meets regulatory requirements.
- The Company has established a Board Inclusion Policy, which sets out its approach to promoting BNY's thrive together principle on the Board. This is important to power BNY's culture and to each Company director as an individual. It is also critical to the Company's effective decision making, ability to serve its clients and grow its business through delivery of the Company's strategy. The Company's Nomination Committee ('NomCo') is responsible for reviewing the structure, size and composition of the Company Board and making recommendations to the Board with respect to any appointment. In identifying suitable candidates for a particular appointment, the NomCo considers candidates on merit and against objective criteria and with due regard for the benefits of different perspectives, experiences,

and backgrounds. Overall, the combined skills and experience of the Board demonstrate a high level of strategic direction, executive oversight, business knowledge, fiduciary duty and governance.

- The Board received updates and sought assurance from the Company in relation to the implementation and embedding of regulatory change initiatives and compliance with ongoing regulatory requirements.
- During 2024 and into 2025, the Company has implemented the FCA's Sustainability Disclosure Requirements, including the anti-greenwashing rules and naming and marketing rules. This has been a wide-ranging project covering all UK domiciled collective investment schemes where the Company is appointed as investment manager.
- As part of BNY, the Company adheres to the BNY Code of Conduct, which provides a practical set of principles that guide all business decisions and employees' actions and decisions as individuals. The BNY Code of Conduct questionnaire was sent to all employees in May 2025, which requires an attestation that an employee has read and understood all provisions of the employee Code of Conduct.
- Under the FCA's Senior Managers & Certification Regime ("SMCR"), the Company is classified as an Enhanced Firm. The objective of SMCR is to reduce harm to consumers and strengthen market integrity, by making individuals more accountable for their conduct and competence. SMCR aims to encourage a culture that sees employees at all levels taking personal responsibility for their actions as well as ensuring that a firm and its employees clearly understand and can demonstrate where responsibility lies. All Senior Managers, Certified Persons, and Conduct Rules ("SMCR") employees complete mandatory training on the Conduct Rules and the BNY Code of Conduct on an annual basis.
- Company employees' activities are carried out in accordance with applicable process and procedures and where issues arise from interactions with clients, market practice, regulators or vendors that require senior level consideration, they are addressed through the escalation mechanisms that are built into the robust, Board approved governance framework.
- The Board promotes a high-performance culture by managing talent, strengthening employee engagement, and ensuring effective employee communications. The Board Remuneration Committee supports the Board to achieve this goal.
- The Board recognises the importance of risk management in the execution of its strategy and the Board has defined the levels of risk acceptable to the Company. This is formalised and monitored through a risk appetite statement.
- The Board retains overall responsibility for approval of the Company's risk appetite and strategy, including capital adequacy and liquidity of financial resources. The Board Risk Committee is responsible for ensuring that frameworks exist to identify, assess, manage, and monitor risk; and for considering the material outputs from these frameworks.
- The Board is responsible for and committed to good corporate governance. In fulfilment of its responsibilities the Board delegates certain functions of oversight, risk mitigation, regulatory compliance, remuneration and other obligatory functions to its committees and, in certain instances, empowers them to make decisions on its behalf.

Acting fairly between members of the Company

• The Company is a wholly owned subsidiary within the BNY Group governed by its Board. It maintains an open relationship with BNY where ideas and strategic objectives are exchanged and shared, ensuring the Board members remain aligned with the strategic objectives and corporate values of its shareholder whenever appropriate. Across all decisions, the Company's Board remains committed to ensuring due regard to the interest of other stakeholders as described above.