Governance Policy

17 September 2026

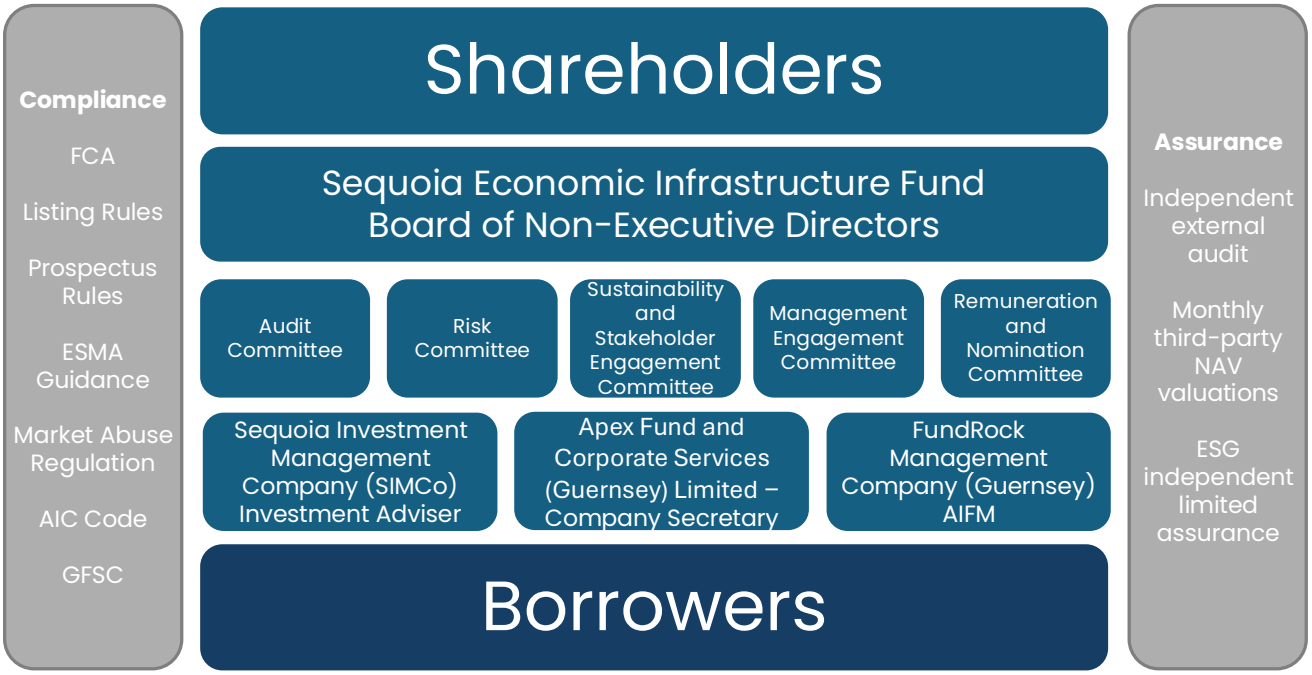
Company Governance

The Company

Sequoia Economic Infrastructure Income Fund Limited ("SEQI," "the Company") is a Guernsey-incorporated closed-ended investment company whose ordinary shares are traded on the Main Market of the London Stock Exchange. The Company complies with the UK Listing Rules, the public offers and admissions to trading (POAT) regime, the FCA Disclosure Guidance and Transparency Rules and the European Union's Market Abuse Regulation as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018. The Company is also directly overseen and regulated by the Guernsey Financial Services Commission ("GFSC") and governed by Companies (Guernsey) Law, 2008.

The Company has adopted and reports against the Association of Investment Companies Code of Corporate Governance ("AIC Code") and is thereby deemed to satisfy the provisions of the Guernsey Financial Services Commission Finance Sector Code of Corporate Governance, which provides a framework for Guernsey Financial Services Commission licensed entities, authorised and registered collective investment schemes. As the AIC Code has also been endorsed by the Financial Reporting Council, by reporting against the AIC Code, the Company will also meet the obligations in relation to the 2024 UK Corporate Governance Code (UK Code) (and associated disclosure requirements under the UK Listing Rules).

SEQI governance structure



A detailed chart of the Company's structure is provided in Appendix I.

Board oversight

SEQI is governed by a Board of non-executive Directors, led by the Chair and Senior Independent Director ("SID"). The Chair is responsible for leading the Board and for ensuring its overall effectiveness in directing the Company. The specific duties of the Chair include setting the Board's agenda, expectations concerning the Company's culture, ensuring the Board has in place effective decision-making processes which are supported by accurate and high-quality information, demonstrating ethical leadership and promoting the highest standards of integrity, probity, and corporate governance throughout the Company, and ensuring the Board has a clear understanding of the views of shareholders. The Board's annual performance evaluation is led by the Chair, with support from the SID, and the Board will take action as appropriate based on the results of that evaluation. The SID, in addition to having the same general responsibilities to the Company as other Directors, carries out duties relating to Chair appraisal and provides an independent channel for Directors and shareholders to contact or meet with regarding any concerns or opinions they may have.

The Board is comprised entirely of independent Directors (including the Chair who remains independent upon and following appointment), as defined by the AIC Code. Directors are elected by and answerable to the shareholders, who can challenge their actions and vote for or against certain resolutions proposed by the Board at general meetings.

Collectively the Board is responsible for the long-term sustainable success of the Company and has legal and regulatory duties. Some of the main functions include:

- Setting the Company's investment policy and strategy;
- Setting the Company's capital allocation strategy, including the use of gearing, raising equity capital and share buybacks;
- Appointing and overseeing its key service providers, including the performance of the Investment Manager and Investment Adviser and other service providers charged with regulatory governance;
- Monitoring risks to the company and maintaining effective and appropriate controls;
- Ensuring the Company's assets are appropriately safeguarded;
- Communication and engagement with the Company's shareholders and communications with the wider market; and
- Regular assessment of Board governance and adequacy and depth of skills available with a view to ensuring Board effectiveness and optimal Board composition.

The Board considers that reporting against the principles and provisions of the AIC Code will provide the most relevant information to shareholders on the Board's activities, its governance framework, its application of the relevant provisions, and explanations for any instances of non-compliance. Each year the Board reviews its governance practices, policies and procedures against the recommendations of the AIC Code.

The Board has put in place and regularly reviews the Company's policies and procedures to ensure high standards of governance, which include:

- Sustainability Policy
- Anti-Bribery and Corruption Policy
- Modern Slavery Act Transparency Statement
- Statement on the Prevention of Tax Evasion and related policies
- Hedging Policy
- Financial Position and Prospects Procedure
- Privacy Policy
- Share Dealing Code
- Board succession plan
- Policy on the provision of non-audit services
- Terms of Reference for each of the Board's formally constituted committees
- Supplier Questionnaires

Key Company policies are considered live documents that are regularly reviewed to ensure they are updated to maintain compliance with relevant rules and regulations, take account of industry's best practice and are in line with the Company's objectives. Any updates to a policy require Board approval and all key policies are formally reviewed and approved annually.

The Board meets formally at least once a quarter, with standing agenda items covering strategy; portfolio performance; capital allocation and deployment; sustainability matters; NAV and share price performance; shareholder return metrics; conflicts; and review and discussion of reports from the Investment Adviser, Investment Manager, Company Secretary and Corporate Brokers. The Board reviews: the risk management framework, including changes to the risk environment and the assessment of emerging risks (having regard to the Risk Committee's advice and recommendations); financial reporting including liquidity, stress testing and gearing; marketing and investor relations; peer group information; governance and regulatory updates; and relevant market and industry issues. In addition, there are a number of ad-hoc meetings throughout the year to discuss various matters and developments relating to the Company and its investments.

Conflicts of interest

The Board is cognisant of the importance of managing conflicts of interest, especially given that the structure of the investment company requires a high level of dependency on external service providers and outsourcing and therefore there is an increased risk of conflicts arising. Conflicts may arise at Director level with their outside appointments and other commitments, as well as between Board members. There is also the potential for conflicts of interest between the Board members and the Company's service providers, in particular the Investment Manager, Investment Adviser or Company Administrator & Secretary and their respective affiliates. The Board maintains and tables a register of business interests and potential conflicts of interest at each quarterly meeting, and the Directors have a legal obligation to disclose the nature and extent of their interest in any transaction or proposed transaction with the Company. These possible conflicts are identified, the likelihood of occurrence and impact are assessed,

and controls or procedures to mitigate the risk are put in place for each specific case through the risk committee, assessment of the conflicts policies of the major service providers and also annual service provider evaluations.

Board Committees

The Board has five formally constituted Committees the general functions of which are summarised below, with more information available in their respective Terms of Reference, which can be found on the SEQI website: www.seqi.fund/investors/documents-circulars/

Audit Committee

The Audit Committee is responsible for monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and providing advice to the Board on whether the Annual Report and Audited Financial Statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for Shareholders to assess the Company's performance, business model, and strategy. The Audit Committee also considers and makes recommendations to the Board, to be put to shareholders for approval, in relation to the appointment of the Auditor, oversees the relationship with the Auditor and assesses annually the effectiveness of the audit and the independence and objectivity of the Auditor. The Audit Committee is also responsible for monitoring the adequacy and effectiveness of the Company's internal control and risk management systems. The Audit Committee also focuses particularly on compliance with legal requirements, accounting standards and the relevant UK Listing Rules and ensuring that an effective system of internal financial control is maintained. The Audit Committee also reviews, considers and, if appropriate, recommends for the purposes of the Company's Financial Statements the valuations prepared by the Investment Manager and Investment Adviser. These valuations are the most critical element in the Company's Financial Statements, and the Audit Committee considers them carefully, including discussions with the Company's Valuation Agent, PwC.

Management Engagement Committee

The Management Engagement Committee is principally responsible for reviewing the performance and remuneration of SEQI's service providers, most notably the Investment Manager and the Investment Adviser, who are charged with the day-to-day management of the SEQI portfolio and other management services. There is an annual review of SEQI's key service providers to assess their performance, terms of engagement and their internal control environment. This includes assessing their approach to a range of matters including anti-slavery and anti-bribery and their environmental strategies/policies.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for reviewing the structure, size, and composition of, as well as appointments to, the Board including considerations around diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths amongst other things. The Board supports the widening of its diversity, whilst ensuring the capabilities, experience and background of each member remain appropriate to the Company and continues to contribute to overall Board effectiveness. Pursuant to this, SEQI has the following targets as set out in the UK Listing Rules that it takes steps to achieve

at least 40% female Board representation; at least one senior position on the Board held by a woman; and at least one individual on the Board from a minority ethnic background. The Board ensures as part of each recruitment process that it is presented with a diverse set of candidates, from which they appoint a candidate based on merit, that they believe is best suited for the role and will contribute to overall Board effectiveness. This Committee also reviews and assesses Board composition, skills, and the adequacy of appropriate resources available to the Board including the need for specific or supplemental consultancy or similar advice. The Board and its members are highly cognisant of rapidly developing market and regulatory landscape affecting SEQI and its investments – training is organised for the Board, while individual Board members are responsible for their own training and development and to disclose it quarterly.

The Committee also reviews SEQI's remuneration policy and periodically benchmarks this against comparable listed investment companies, particularly those operating in similar or adjacent market sectors. It should be noted that Board remuneration is fixed and not linked to the performance of SEQI. Equally, the Company has contracted with service providers, such as the AIFM and Investment Adviser, to carry out portfolio management on its behalf and in line with the terms set out in its prospectus. On this basis, the Board is therefore not directly involved in the day-to-day investment considerations or activities and does not benefit financially from SEQI's performance through the remuneration arrangements. No Director has a service contract with the Company, and no Director who is a member of the Remuneration and Nomination Committee takes part in discussions relating to their own remuneration.

Risk Committee

The responsibility of the Risk Committee is to identify, assess, monitor and, where possible, oversee the management of risks to which the Company's investments are exposed, principally to enable the Company to achieve its target investment objective of regular, sustained, long-term distributions over the planned life of the Company. As part of this process a risk matrix is reviewed regularly which covers areas such as investment policy, investment performance, regulatory oversight and compliance and key service providers and reports what mitigating risk management and controls are in place. The Committee also works closely with the Company's AIFM to provide oversight of the agreed investment policy.

Sustainability and Stakeholder Engagement Committee

The Sustainability and Stakeholder Engagement Committee reviews, approves and monitors performance against SEQI's sustainability policy. This Committee has delegated responsibility for addressing key sustainability-related matters and furthering SEQI's sustainability objectives and targets. The Board recognises the value and importance to all stakeholders of organisations incorporating effective environmental, social and governance practices into their decision making and commercial activity.

Chair tenure

In line with the AIC principles, the Chair shall remain independent throughout their tenure and should normally serve no longer than nine years as a Director and Chair. This addresses the need for regular refreshment and forms part of the Board's policy of achieving a gradual phasing of the Board to avoid undue disruption from multiple changes within a single year. To manage succession planning and where the Board considers it to be in the best interests of the Company as a whole, the Chair may in certain

circumstances serve beyond this timeframe. In such circumstances, the independence of the other Directors will ensure that the Board as a whole remains independent.

Reserved matters

The Board has adopted a formal schedule of matters reserved for its decision making, and those matters delegated to key service providers:

Matters reserved for the Board	Matters delegated
Strategy and governance • Company purpose, strategy, investment policy, risk appetite and material changes to the business model or listed status. • Board and committee structure, appointments, succession, evaluation, remuneration and key governance policies. **Capital and financial matters** • Share issues, buybacks, capital reductions, dividends, borrowing, refinancing, gearing, liquidity, hedging and capital allocation. • Annual and interim financial statements, results, budget, accounting policies, going concern, viability and material tax matters. • Valuation policy, material valuation issues, risk management, internal controls and appointment or removal of auditors and assurance providers. **Investments and risk** • Investment mandate, criteria, limits and any material departure, waiver or exception. • High-risk or exceptional investments and material restructurings, funding support, enforcement actions or disposals requiring escalation. • Entry into a new jurisdiction where this changes approved policy or creates material legal, regulatory, tax, sanctions or governance risk. **Regulation, disclosure and stakeholders** • Principal risks, material regulatory matters, inside information, delayed disclosure and significant announcements, circulars or prospectuses. • Material conflicts, related-party transactions, breaches, fraud, cyber incidents, litigation, complaints or reputational issues. • Appointment, removal or material changes to key service providers, material contracts and significant shareholder matters.	**Investment Manager/AIFM and Investment Adviser** • Source, assess, approve, execute and monitor investments within the approved mandate and limits. • Prepare investment, valuation, risk, liquidity, leverage, hedging, sustainability and performance reports. • Escalate breaches, exceptions, high-risk matters and material portfolio changes. **Administrator and Company Secretary** • Maintain statutory books, records, registers, minutes and the governance calendar. • Arrange Board, committee and shareholder meetings and make routine filings. • Operate approved payment, signing, seal, retention and delegated-authority procedures. • Settle professional fees up to £50,000 were covered by an approved engagement, budget and authority. Higher or out-of-scope amounts require Board approval or further delegation. **Conditions applying to all delegations** • Delegated decisions must remain within applicable law, regulation, contracts, Articles, policies, budgets and authority limits. • Reserved matters cannot be approved by a service provider. • Material financial, legal, regulatory, valuation, liquidity, sustainability, cyber, reputational or governance issues must be escalated promptly. • The Board may change or withdraw any delegation and retains overall oversight.

Board Governance and Effectiveness

The Directors undertake, on an annual basis, a review of the performance of the Board, particularly in relation to its oversight and monitoring of the performance of the Investment Manager, Investment Adviser and other key service providers. The performance reviews consider the balance of skills, experience, independence and knowledge of the Company. The Board also reviews the performance of each of the Directors.

An externally facilitated Board performance review is undertaken every three years, in line with the recommendations of the AIC Code and in place of the Board's internal evaluation process.

Board Values and Culture

The Chair is responsible for setting the standards and values expected of the Board, and the Board operates with the Company's core values of integrity, transparency and accountability with an aim of maintaining a reputation for high standards in all areas of the Company's activities.

The Board recognises the value and importance to all stakeholders of organisations incorporating effective environmental, social and governance policies as part of its day-to-day operations. In addition, the Board seeks to promote a culture of openness and constructive challenge amongst those responsible for taking key decisions. This is underpinned by a robust corporate governance framework which seeks to align the Company's purpose, values and strategy with the culture set by the Board through active engagement with the Company's key service providers.

Tax compliance

SEQI has a zero-tolerance policy to tax evasion and the facilitation of tax evasion. The Board is fully committed to complying with all legislation and appropriate guidelines designed to prevent tax evasion and the facilitation of tax evasion in the jurisdictions in which we, our service providers and business partners operate. The Company's Statement on the Prevention of Tax Evasion is published on the website: www.seqi.fund.

Modern slavery

The Board acknowledges the requirement to provide information about human rights and forced labour in accordance with the UK Modern Slavery Act. The Board conducts the business of the Company ethically and with integrity and has a zero-tolerance policy towards modern slavery in all its forms. The Company makes an annual declaration in its Annual Report and publishes its Modern Slavery Act Transparency Statement on its website: www.seqi.fund.

Investment Management Governance

Investment Manager

FundRock Management Company (Guernsey) Limited (the "Investment Manager"), appointed as the Company's Alternative Investment Fund Manager ("AIFM"), is responsible for the overall portfolio management and risk management of the Company. The Investment Manager's risk management functions include:

(i) assisting the Board with the establishment of a risk reporting framework;
(ii) monitoring the Company's compliance with Investment Criteria, Investment Concentration Limits,

and other risk limits;

(iii) carrying out a risk analysis of the Company's exposures, leverage, counterparty and concentration risk;

(iv) analysing market risk and liquidity risk in relation to the portfolio; and

(v) assisting the Board in establishing, maintaining and reviewing valuation policies for calculating NAV.

The Investment Manager has delegated portfolio management to the Investment Adviser in accordance with the terms of the AIFM agreement and applicable regulatory requirements.

Investment Adviser

The Investment Adviser, Sequoia Investment Management Company Limited ("SIMCo," the "Investment Adviser"), provides portfolio management services to the Company in line with the Company's investment policy, including:

(i) sourcing potential SEQI investments;

(ii) carrying out due diligence in the selection of investments and selecting counterparties, in accordance with Investment Adviser's due diligence policies and procedures;

(iii) ensuring investment decisions are carried out in connection with the Company's objectives, investment strategy, sustainability strategy, Investment Criteria, Investment Concentration Limits and other applicable risk limits;

(iv) negotiating documentation in relation to investments;

(v) coordinating the acquisition and disposal of investments;

(vi) carrying out ongoing monitoring of SEQI's assets under management;

(vii) exercising all rights and remedies of the Company or the Company's asset holding subsidiary (the "Subsidiary") in its capacity as holder of, or the person beneficially entitled to any Investments in the portfolio, including attending or voting at any meeting of the holders of Investments in the portfolio and giving consents or waivers in relation to Investments on behalf of the Company or the Subsidiary;

(viii) coordinating restructuring, workouts, enforcements or disposals of investments as needed;

(ix) managing any equity or real asset investments that the Company acquires (either legally or beneficially) as a result of a loan restructuring or otherwise;

(x) developing and executing a currency and/or interest rate hedging strategy;

(xi) arranging for any borrowings by the Company, subject to the Company's borrowing limit, and calculating the Company's exposures and leverage;

(xii) preparing investor reporting and marketing materials including factsheets, investor presentations, pitches and materials for the website; and

(xiii) monitoring market developments which are relevant for the Board's consideration of strategy and its oversight of relevant market and industry developments.

Investment process

The Investment Adviser's Investment Committee ("IC") makes the decision to recommend an investment to the Investment Manager, who makes the final decision as to whether to approve or decline a

transaction. The IC membership consists of the CEO, Head of Portfolio Management, Head of Infrastructure, and Chief Risk Officer ("CRO") of the Investment Adviser. The IC is charged with overall responsibility for ensuring the expected standards of governance are in place by the borrowing entity before any investment is made, in addition to screening the prospective borrower against SEQI's risk scoring methodology, which includes relevant ESG criteria. Decisions of the IC must be unanimous. As Chair of the IC, who can also exercise veto rights at any time, the Investment Adviser's CRO has overall responsibility for the governance of the pre-investment process. The IC and portfolio management functions are integral parts of the Investment Adviser's governance framework, with the sustainability and credit teams delivering on this policy and function day to day.

. The Investment Manager receives all investment and monitoring memorandums and meeting minutes, and representative(s) have a standing invitation to attend IC meetings. IC memos typically: (a) describe the transaction terms e.g. loan terms, intercreditor arrangements, key parties, etc.; (b) describe and analyse the industry and sub-sector which the business operates in; (c) assess the positioning of the business within that industry and sub-sector, including findings from third-party due diligence reports; (d) review risks and mitigants including legal, environmental, tax, reputational, financial, operational, key person and governance risks; (e) assess historical and projected financial performance in a range of scenarios; (f) set out key credit ratios; (g) benchmark the loan to a public ratings scale (typically Moody's); and (h) include sustainability analysis.

Assets are also assessed under the Investment Adviser's proprietary Externality Scoring methodology, with low-scoring borrowers flagged to the Board's Sustainability and Stakeholder Engagement Committee. For more information, see: www.seqi.fund/sustainability/publications/. The SEQI Board receives IC memorandums and minutes. Additionally, investment process methodology is risk-based and assigns a risk rating to each deal, with any transaction flagged as "high risk" serving as a trigger for escalation to the Board's Risk Committee. Deals that are particularly risky from an ESG perspective and/or are scored below a certain threshold according to the Investment Adviser's proprietary ESG Risk Scoring methodology also trigger escalation to the Board's Risk Committee. For more information on how sustainability is integrated into the investment process, please refer to the Company's Sustainability Policy at: www.seqi.fund/sustainability/publications/. The Investment Manager can also refer any deals to the Risk Committee for further consideration at their discretion. Any proposal to invest in a new jurisdiction is subject to enhanced scrutiny and oversight and the Company will conduct thorough due diligence to assess the relevant market conditions and regulatory environment, supported by appropriate legal, tax and other professional advice as the Board/Risk Committee considers necessary.

The depositary checks investments for eligibility and compliance with the investment restrictions and applicable rules, providing another control over the investment process.

Once investments are made, fair value pricing of the debt portfolio performed by the Investment Adviser is independently reviewed monthly by a third-party provider. There is also a yearly mandate for independent, external assurance over the ESG analysis of credits. The independent review of the portfolio valuations, the external audit, and the ESG assurance are each provided by separate firms.

The Investment Adviser firmly believes the quality of a borrower's governance influences the risk of lending to it and the likelihood of full and successful repayment. Whilst the materiality of certain environmental and social issues can vary depending on the sector, the Investment Adviser considers governance issues as more pervasive to a credit's quality and rating regardless of the industry in which the asset sits. As such, a careful analysis of governance is an intrinsic part of the Investment Adviser's credit analysis. SIMCo applies a tailored approach to the assessment of borrower governance appreciating that the specific standards expected of each borrower may vary on a case-by-case basis due to the differing nature, size, and structure of each transaction in which SEQI invests. However, there are general principles that guide the Investment Adviser's approach.

General principles on approach

Good corporate governance necessitates effective structures, policies and processes that pursue and balance the best interests of all stakeholders. Those that manage the company should drive an effective strategy while demonstrating high levels of integrity and with clear lines of responsibility and accountability defined. This results in more prudent risk management, including over environmental and social risks, which is key to a company's sustainability and can be a credit strength that stands only to make SEQI's portfolio more resilient. Examples of good corporate governance assessed by the Investment Adviser include, but are not limited to, independent oversight ideally in the form of an effective Board of Directors, transparent and timely reporting particularly of financial information, and a culture and conduct of integrity reflected in key ethics policies like on whistleblowing. At a minimum, there should be sound management structures, tax compliance and good relations with employees who get paid fair remuneration.

On the other hand, poor corporate governance can destroy value, threaten a business's future viability, and increase the risk of default. There are certain indicators that the Investment Adviser deems to be signs of poor governance and a material credit risk, being:

- the concentration of control and/or decision making without oversight;
- no segregation of duties;
- improper financial controls;
- opaque, inaccurate, incomplete or irregular disclosures or reporting;
- missing key policies e.g. health and safety, modern slavery, anti-money laundering, conflict of interest;
- unqualified management teams or management teams with chequered backgrounds;
- skewed management incentives that do not align with the interests of other stakeholders; and
- controversies or regulatory/legal action surrounding the company.

Any one or a combination of the foregoing could render an investment opportunity undesirable, in particular if there are insufficient checks and balances in place to mitigate against the risks likely to stem from each of the identified deficiencies.

SIMCo assesses governance for every credit throughout the investment process, as described in the '*Integration into the Investment Process*' section of SEQI's sustainability policy available on the website:

www.seqi.fund/sustainability/publications/. These processes to assess governance are applied to all investments and ensure, as far as possible, that there are sound governance practices in place at each of SEQI's portfolio companies. These are outlined in more detail below.

Due diligence

The initial review of a borrower's governance is undertaken by SIMCo's credit team during the earliest stages of the investment process, namely the Originations Committee and then the New Business Committee.

If an opportunity passes these stages, the team moves to conducting extensive due diligence and KYC on the borrower, its financial position, management and key parties, and the governance and control framework in place.

- The KYC process scans corporates and individuals against international sanction lists and watchlists of warnings, regulatory enforcement actions and transgressions. Checks are also in place for politically exposed persons and any adverse media, including themes aligned with the UN Global Compact Principles.
- SEQI typically commissions third-party due diligence reports covering, for example, legal, financial, technical and environmental risks. In particular, a legal due diligence report will typically include an analysis of how the company is managed, assessing any shareholder or JV agreements in place, how the board is elected, voting rights, majority requirements, committee structures, etc. Legal due diligence will also typically flag any noteworthy concerns around key members of management, such as past bankruptcies, or lack of compliance with the law. By design, there is a degree of overlap between certain aspects of the legal due diligence and KYC processes, reducing the chance of risk factors going unidentified.

As part of SEQI's investment due diligence process, corporate governance is assessed by the Investment Adviser prior to investment and on an ongoing basis using an internal good governance assessment process. All of the following criteria should be met (or there should be a commitment to remedy the situation to the Investment Adviser's satisfaction) for a company to pass good governance and be eligible for investment by the Company:

- **Sound management structures**: Does the company have a policy on whistleblowing / code of ethics?
- **Tax compliance**: Is the company free from any current, unresolved tax disputes?
- **Employee relations**: Is the company free from any current, unresolved employee litigation or controversies?
- **Remuneration of staff**: Is the company in compliance with local employment laws including minimum or living wages?

Potential borrowers are also assessed according to SIMCo's second, proprietary Externality Scoring methodology. In parallel with this assessment, the Investment Adviser's sustainability team also examines the potential borrower's governance as part of a fuller ESG risk analysis. Where possible, at this stage in the investment cycle a sustainability questionnaire is sent to the borrower's management team for

completion. This allows for a more comprehensive assessment of the company's ESG risk profile and performance using SIMCo's proprietary ESG risk scoring methodology. The first stage of calculating a potential borrower's ESG Risk Score is to determine which E, S and G factors are relevant or highly material to the credit; by default, governance factors (e.g., oversight, data, and cybersecurity) are considered relevant at a minimum and are weighted accordingly in the calculation. The second stage of the process is to assess the borrower's performance in terms of managing material ESG risks; poor performance on any governance factor would be considered a "red flag" that is to be escalated whereupon it has to be clearly identified and specifically considered by IC.

This analysis culminates in a detailed credit memorandum, which is then presented and considered by the IC, whereby final approval to recommend the deal to the Investment Manager requires the unanimous consent of all IC members. The Investment Manager retains full discretion to approve or decline investments prior to the Company making any formal investment commitment.

Each loan agreement will have general covenants where the borrower undertakes to adhere to all laws and regulations and meet other minimum corporate governance expectations including, but not limited to, board reporting, appropriate accounting practices, and tax compliance. Borrowers are also required to have policies in place concerning gifts and hospitality, anti-bribery and corruption and other similar measures aligned with the SEQI Board's expected minimum standards.

Where appropriate, additional covenants or repeated representations may be embedded into loan terms to ensure that the borrower adopts or maintains certain good governance policies or practices.

Monitoring and engagement

Borrower governance continues to be monitored as part of the regular credit monitoring, with formal IC updates for each asset taking place at least twice a year but more often where warranted. The ESG risk profile for each borrower also gets reviewed at the same time at least half-yearly. In addition, periodic KYC reviews and daily sanctions screenings are carried out on the whole portfolio. Any adverse media events or material changes to a borrower's governance arrangements are reflected in subsequent monitoring IC memoranda. These may also result in modifications to the credit's ESG Risk Score and serve as a trigger for further engagement with the borrower. SEQI deploys a range of engagement strategies that can support management of governance issues, such as the incorporation of ESG-related covenants in loan arrangements, direct contact with management teams on ESG sustainability matters including in conjunction with assessment of responses to the annual ESG questionnaire circulated to all borrowers in the portfolio.

Whilst these systems and processes aim to keep portfolio-level corporate governance risk minimal, some individual assets can, over time, experience deviation from planned operational or financial performance, which may, at least in part, be connected to governance issues. Even though such credits satisfied the Investment Adviser's initial corporate governance analysis pre investment, the potential for governance issues to emerge over the loan's tenor is a natural part of sub-investment-grade lending and therefore reasonable measures are in place by the Investment Adviser to mitigate downside risk over the duration of the loan. In the event that governance risks do materialise, the Investment Adviser works directly with the borrower and/or other advisors to develop and implement appropriate mitigation plans.

Stakeholder Engagement

Whilst the primary duty of the Directors is owed to the Company as a whole, all Board discussions involve careful consideration of the longer-term consequences of any decisions and their implications for all key stakeholders of the Company.

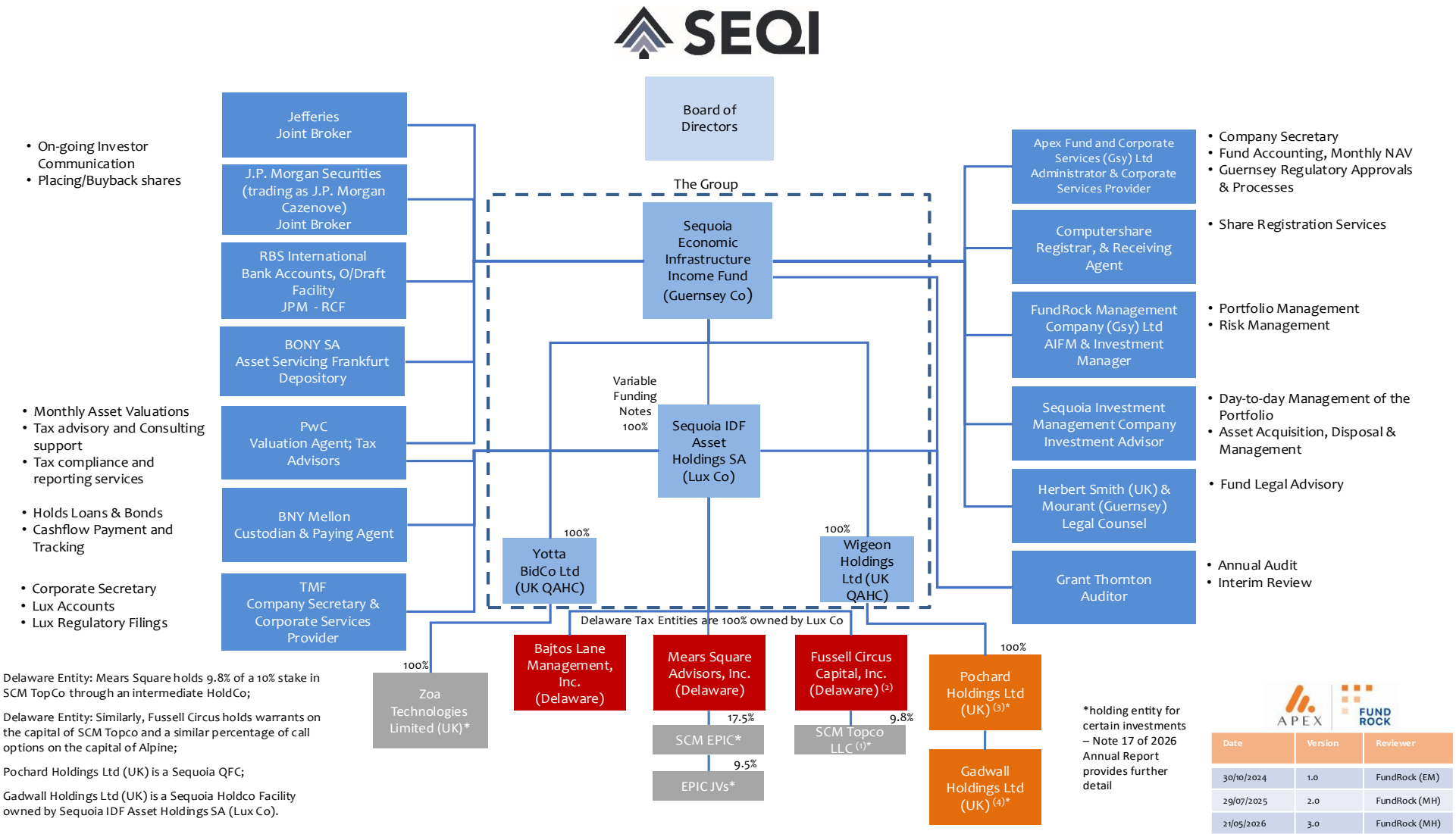
The Sustainability and Stakeholder Engagement Committee identifies the Company's key stakeholders, ensuring that they are taken into consideration as part of the Board's decision-making process where relevant and appropriate. The committee also considers the engagement resources and engagement mechanisms with key stakeholders and is responsible for keeping under review the effectiveness of the Company's mechanisms for stakeholder outreach.

As part of this activity, the Board recognises the importance of active shareholder engagement to maintain an awareness of investor sentiment and priorities and to inform the Board's future decision making. In doing so, the Board ensures there exists a continued alignment of interest between the objectives of the Company and those of shareholders.

The Board, alongside the Investment Adviser, the Company's Brokers and with the support of the Company's PR agency, maintains an ongoing programme of investor engagement, which includes investor and analyst presentations and communications, regular announcements on material developments affecting the Company and specific sustainability-related engagement forums for investors. The Chair, the Senior Independent Director, and individual Directors make themselves available to meet shareholders to discuss specific matters or developments and to understand their views on governance and the performance of the Company. Feedback from these and other relevant channels of communication forms part of the Board's decision-making process when determining the future strategy of the Company and taking decisions which may impact shareholders.

Shareholders are invited to attend and vote at all general meetings, where significant decisions affecting the Company are taken, in particular the AGM, where shareholders may discuss the activities of the Company, its governance and strategy, and raise any issues or concerns directly with the Board. Routine updates are also provided to shareholders and the market through the publication of monthly investment update factsheets and net asset value reports, annual and half-yearly financial statements, investor events and regulatory news announcements. All of which, in addition to other relevant information concerning the Company, are made available on the Company's website.

Appendix I



Notes:

(1) Delaware Entity: Mears Square holds 9.8% of a 10% stake in SCM TopCo through an intermediate HoldCo;

(2) Delaware Entity: Similarly, Fussell Circus holds warrants on the capital of SCM Topco and a similar percentage of call options on the capital of Alpine;

(3) Pochard Holdings Ltd (UK) is a Sequoia QFC;

(4) Gadwall Holdings Ltd (UK) is a Sequoia Holdco Facility owned by Sequoia IDF Asset Holdings SA (Lux Co).

*holding entity for certain investments – Note 17 of 2026 Annual Report provides further detail

Date	Version	Reviewer
30/10/2024	1.0	FundRock (EM)
29/07/2025	2.0	FundRock (MH)
21/05/2026	3.0	FundRock (MH)