Clearlake Capital (UK) LLP

Disclosure with respect to the UK Stewardship Code

Effective from 1 January 2026, the Financial Reporting Council's ("FRC") UK Stewardship Code ("Code") has been substantially updated to support long-term, sustainable value creation while significantly reducing the reporting burden for signatories.

The purpose of the Code is to establish the core principles of effective stewardship and to set a high standard of transparency for asset owners, asset managers, and the service providers that support them.

The 2026 Code defines stewardship as "the responsible allocation, management and oversight of capital to create long-term, sustainable value for clients and beneficiaries".

Effective stewardship enables investors to make well-informed investment decisions that deliver returns meeting the objectives of their clients and beneficiaries today, without compromising the ability to do so in the future. In doing so, investors take account of long-term risks and opportunities, with regard to the economy, the environment, and society, upon which beneficiaries' interests depend.

The Code is voluntary, and being a signatory demonstrates an investor's commitment to stewardship, as well as providing transparent reporting on the stewardship undertaken on behalf of their clients and beneficiaries. As such, firms may choose whether or not to commit to the Code.

Rule 2.2.3R of the Financial Conduct Authority ("FCA") Conduct of Business Sourcebook ("COBS") requires an FCA-authorised firm to disclose the nature of its commitment to the Financial Reporting Council's UK Stewardship Code (the "Code") or, where it does not commit to the Code, its alternative investment strategy.

Disclosure

Clearlake Capital (UK) LLP ("Clearlake UK") has chosen not to commit to the Code because Clearlake UK funds' invest predominantly in private debt, including senior secured and subordinated debt. Certain Clearlake UK funds opportunistically invest in small minority equity positions, typically alongside a majority private equity sponsor. However, these equity investments are typically considered alongside larger debt investments by the same funds and they do not typically provide any control on the day-to day activity of the underlying portfolio company. Investment in such products does not usually attract the stewardship responsibilities of an owner of publicly traded equities. Furthermore, Clearlake UK's approach in relation to engagement with issuers and their management, is determined on a global basis. A consistent global approach is taken to engagement with issuers and their management in all of the jurisdictions in which Clearlake UK invests and, consequently, Clearlake UK does not consider it appropriate to commit to any particular voluntary code of practice relating to any individual jurisdiction and feels that the Code is not appropriate to Clearlake UK's business model.

Consequently, while Clearlake UK generally supports the objectives underlying the Code, the provisions of the Code are not considered to be relevant to the activities currently undertaken by the Firm. If Clearlake UK's activities change in such a manner that the provisions of the Code become relevant, the Firm will amend this disclosure accordingly.

For further details on any of the above information, please contact Clearlake UK's compliance team at compliance@clearlakecredit.com.