

Engagement policy

1. Overview

The Shareholders Rights Directive (SRD II) aims to promote effective stewardship and long-term investment decision making, by enhancing the transparency of asset manager engagement strategies. The companies above forming Canaccord Genuity Wealth Management (Canaccord Wealth) are UK MiFID investment firms that provide portfolio management services.

This policy document sets out our engagement policy, in line with the requirements of SRD II, as implemented in FCA COBS 2.2B.

1.1 Application

This policy relates to all discretionary and advisory mandates managed by Canaccord Wealth. For the avoidance of doubt, this does not apply to any non-managed relationships, such as execution only or advisory stockbroking accounts.

1.2 Connected policies

- ESG Policy
- Conflicts of Interest Policy
- Escalation Policy
- Policy / Procedure
- Purpose of Company Engagement.

Our main objective as investment managers is to grow our clients' investments over the long term. Although we are not a specialist ESG/responsible investing investment manager we seek where possible to engage with investee companies and other stakeholders to build sustainable benefits to the wider economy, to promote strong governance, to play our part as a good corporate citizen in fostering a prosperous and balanced society and creating good outcomes for our clients. We will consider ESG issues as part of the investment process and will seek to balance sustainable growth with good risk-adjusted investment performance.

2. Policy/procedure

2.1 Company engagement

Engagement with our investee companies is an important part of our investment strategy as regular meetings and dialogue with investee companies is a key driver to successful long-term investing. Our monitoring of and engagement

with our investee companies includes consideration of their strategy, their financial and non-financial performance and risk and their capital structure. Where appropriate, ESG issues will also be considered and discussed. These meetings give us an opportunity to raise issues and concerns we have with the companies. For all investee companies above our threshold, outlined in 4.4, we will endeavour to have face-to-face meetings at least annually and preferably more regularly.

2.2 Escalation

Where necessary and proportionate, we will escalate our concerns in a more formal manner. In the first instance, this engagement will be channelled through the relevant investor relations function within the investee company (or in their absence, their delegated corporate access agent) or their nominated corporate advisor. From then onwards, escalation is taken up to senior management either verbally or in writing and, if necessary, would be escalated to the Chair of the Board. We would aim to raise our concerns in advance of voting on the issues in order to give companies a chance to respond or resolve the issues. An escalation policy is in place as part of our shareholder voting and engagement process, which is published on our intranet.

Each case has different sets of circumstances and therefore our means of escalating and action taken will be dependent on the individual case.

2.3 Voting

The exercising of voting rights is part of our responsibility of effective stewardship. We do, however, have to balance this with the practicalities of a business of our size and resources and therefore take a proportionate approach to exercising any voting rights. We have selected a shareholder voting and engagement partner, currently Institutional Shareholder Services (ISS). We have adopted ISS's regional voting policy templates in each of the geographies in which we invest.

Where ISS flag that there is an issue with a particular vote, our standard policy is to vote against the relevant resolution, in either AGM, EGM or court-related shareholder meetings, in line with ISS recommendations. As an initial measure, we have taken the decision to consider voting for our top relevant 100 positions by value and on occasions where Canaccord Wealth holds more than 3.0% of the issued voting share capital of the underlying security. However, due to requirements from

our custodian's proxy service provider, we will no longer vote on European companies. Due to EU regulations, the provider now requests Beneficial Owner (BO) details to be submitted for each individual client, rather than allowing us to vote as a single entity; this process is not feasible for Canaccord Wealth to implement. We may vote on other positions where the issue is deemed material or if we believe the issue is contrary to the best interest of shareholders, in which case we would vote directly. Materiality in this context is subjective, but we would likely pay particularly close attention to resolutions relating to the matters below. The following list is not exhaustive:

- Remuneration packages
- Related party transactions
- Change of directors or auditors
- Approvals of takeovers/mergers.

We maintain a register of the number of resolutions we have voted for and against and we will provide an annual disclosure on Canaccord Wealth's website providing a general description of our voting behaviour and an explanation of the most significant votes which details how we cast votes in the general meetings of companies in which we hold shares (subject to the thresholds detailed above). We started this reporting process with a report on 2022 voting activity published in early 2023.

2.4 Engagement through third-party fund managers

In addition to our direct engagement with individual investee companies, where appropriate we monitor the engagement of our investee funds as part of our continuing due diligence research process. In addition, we may engage with the senior management of the investment trusts in which we invest to discuss matters of relevance to shareholders, in line with our wider policy on proportionality (set out in 4.4 above). We intend to publish the broad outcomes of this third-party engagement alongside our direct engagement in our calendar 2024 report, due to be published in mid-2025.

2.5 Collective engagement and co-operation with shareholders

In some rare scenarios, we may seek to participate in wider collaborative engagement with fellow shareholders if we feel this is necessary. Although it should be noted that our preferred approach to engaging with companies is to escalate issues directly with them as outlined above. In particular, Canaccord Wealth is part of a larger financial services group which includes institutional fund management through its sister company, Canaccord Asset Management ("CAM"). Whilst ensuring that any identified conflicts are managed, Canaccord Wealth and CAM will, where appropriate, address

issues of common interest to our end clients in a holistic fashion. This is particularly relevant in the small and mid-cap arena where both Canaccord Wealth and CAM are important investors and where stewardship can have a meaningful impact. Consequently, Canaccord Wealth and CAM may co-operate and align our mutual engagement with investee companies where this is expected to benefit our mutual clients. This kind of co-operation is actively encouraged under Principle 10 of the [2020 UK Stewardship Code](#) and is specifically not treated as a form of collusion.

In addition (and subject to any conflicts of interest being identified and managed) we may seek to participate in wider industry shareholder initiatives, seeking to enhance the quality of corporate governance and improve ESG outcomes for the benefit of the longer-term economic interests of our clients. Canaccord Wealth will, however, take a proportionate approach to its engagement efforts and focus such efforts on our top 100 holdings or where we hold more than 3% of the issued voting share capital.

2.6 Conflicts of Interest

Canaccord Wealth manages conflicts of interest explicitly to ensure that we adhere to the highest standards of corporate governance and that our clients' best interests are always pre-eminent. Part of this process is continual self-assessment of where new conflicts may arise. The Conflict of Interest Policy can be found on our website.

In common with the wider investment industry, Canaccord Wealth maintains a conflicts register. The register incorporates, amongst other things, potential conflicts arising from our stewardship and engagement activities.

From time-to-time Canaccord Wealth may be notified at an early stage when investee companies are contemplating major strategic or corporate initiatives and may therefore be in receipt of price sensitive information. Canaccord Wealth has controls in place to manage such occurrences.