

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 (CGWM) are UK MiFID investment firms that provide portfolio management services.

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

2. Application

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

3. Connected policies

- ESG Policy
- Conflicts of Interest Policy
- Escalation Policy.

4. Policy

4.1. 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 customers. We will consider ESG issues as part of the investment process and will seek to balance sustainable growth with good risk-adjusted investment performance.

4.2. 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, we will endeavour to have face-to-face meetings at least annually and preferably more regularly.

4.3. 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.

4.4. 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 CGWM holds more than 3.0% of the issued voting share capital of the underlying security. 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. Materiality in this context is subjective but we would likely pay particularly close attention to resolutions relating to the below matters. 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 CGWM'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).

4.5. 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, CGWM is part of a larger financial services group which includes institutional fund management through its sister company, Canaccord Genuity Asset Management ('CGAM'). Whilst ensuring that any identified conflicts are managed, CGWM and CGAM 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 CGWM and CGAM are important investors and where stewardship can have a meaningful impact.

Consequently, CGWM and CGAM may co-operate and align our mutual engagement with investee companies where this is expected to benefit our mutual clients.

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. CGWM 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.

4.6. Conflicts of interest

CGWM 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, CGWM maintains a conflicts register. The register incorporates, amongst other things, potential conflicts arising from our stewardship and engagement activities.

From time to time CGWM 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. CGWM has controls in place to manage such occurrences.

5. Effective Date and Review Cycle

Effective as at version date and reviewed annually.