JAMES SHARP & CO. EST 1885

Shareholder Rights Directive II (SRD II) Engagement Policy February 2026

Contents

Purpose and regulatory basis	3
Scope	3
Engagement and our investment approach	3
Monitoring and dialogue with investee companies	3
Voting	4
Significant votes and disclosure	4
Cooperation, stakeholders and conflicts	5
Institutional investor clients	5
Records, governance and review	5

PURPOSE AND REGULATORY BASIS

This policy sets out how James Sharp & Co LLP ("James Sharp") engages with the companies we invest in and votes on behalf of discretionary clients. It meets the FCA's rules in COBS 2.2B, which implement the Shareholder Rights Directive II in the UK.

The rules require us either to publish an engagement policy and report each year on how we have applied it, or to explain why we do not. We comply. Where we take a narrower approach on a particular point, this policy explains why.

Most of our clients are retail investors. We apply this policy to every discretionary client in the same way.

SCOPE

This policy covers our discretionary investment management services, including the Tailored Discretionary Service. It applies where client portfolios hold shares traded on a UK regulated market or on a comparable market outside the UK. UK-listed investment trusts are included. We also apply this policy to AIM-quoted shares, although AIM is not a regulated market, because many of our most meaningful holdings are there.

It does not cover:

- OEICs, unit trusts and other collective funds that are not traded shares
- advisory and execution-only accounts, where clients keep their own voting rights (see Voting)

Overseas shares. We vote overseas holdings where our custody arrangements allow it at reasonable cost. Where voting is impractical, for example because of share blocking or power-of-attorney requirements, we may not vote. Our annual statement will say where this has happened.

ENGAGEMENT AND OUR INVESTMENT APPROACH

Our engagement is proportionate to the size of our holding. Investment managers, supported by our analysts, are responsible for the companies in their portfolios.

Large companies. Most of our holdings are a small fraction of a large company. Here our main tools are how we vote and whether we buy, hold or sell.

Significant holdings. Where we hold a meaningful stake, typically in smaller companies and investment trusts, or where we have particular sector expertise, we engage directly with the board, management and the company's brokers.

The Investment Committee reviews new and existing investments, including any concerns arising from engagement.

MONITORING AND DIALOGUE WITH INVESTEE COMPANIES

We monitor each company we invest in on:

- strategy, including acquisitions, disposals and business planning
- financial and non-financial performance and risk
- capital structure and balance sheet strength
- governance, management quality, and social and environmental matters where they are material to long-term value

We draw on company reporting, results meetings, direct meetings with management where available, and broker research. We do not run sustainability-labelled or impact strategies.

Dialogue. Where we can meet management, senior members of the investment team lead the conversation. Where we cannot, we may raise matters through the company's brokers.

Escalation. If our concerns are not addressed, we may raise them with the chair or board, vote against relevant resolutions, or reduce or sell the holding.

VOTING

Shareholders exercise their rights in two ways. **Voting** is how a shareholder supports or opposes a resolution at a general meeting or court meeting. **Elections** are decisions each holder makes individually on a corporate action, such as whether to take up a rights issue, apply under an open offer, accept a tender offer, or choose between cash and shares in a takeover. This policy treats the two separately.

We vote selectively on behalf of discretionary clients. We do not vote on routine matters where our holding would have little influence on the outcome. We do vote on the matters listed below, and we record and explain our most significant votes and any vote against management.

Non-routine and material. We normally vote on: takeovers, mergers and schemes of arrangement; investment trust continuation, wind-up or reconstruction resolutions; significant governance changes, such as changes to the articles that affect shareholder rights, contested board appointments or removals, or a change to an investment trust's investment policy or manager; contested or shareholder-proposed resolutions; and any resolution we intend to vote against. A takeover by scheme of arrangement is decided by a shareholder vote and is covered here; a takeover by contractual offer is accepted or declined by election. Routine business is the report and accounts, auditor, dividend, uncontested director re-elections and standard capital authorities. The Corporate Actions team applies these criteria to each meeting, refers borderline cases to the Investment Committee, and records the decision whether or not we vote.

Who decides. The Investment Committee decides how we vote on material matters, such as takeovers, mergers and schemes of arrangement, and on any vote against management, so that all clients holding the same shares are voted the same way.

Proxy advisers. We do not use proxy advisers.

Corporate action elections. Decisions on rights issues, open offers, tender offers and takeover offers are elections, not votes. The investment manager makes them for each discretionary client, depending on that client's circumstances, with Investment Committee guidance for panel holdings. They are recorded in our corporate action log and are not reported in our annual voting statement.

Non-discretionary clients. This policy does not apply to advisory or execution-only clients, who keep their own voting rights. How we tell them about general meetings and corporate actions, and act on their instructions, is set out in our Terms of Business and our internal corporate actions procedure.

Securities lending. We do not offer stock lending, and we do not allow client investments to be lent while we hold them.

SIGNIFICANT VOTES AND DISCLOSURE

Each year we publish an implementation statement on our website, covering the calendar year. It is published by 31 March of the following year and includes:

- a general description of our voting behaviour
- how we voted at general meetings, excluding insignificant votes
- an explanation of our most significant votes
- our use of proxy advisers

We classify every vote as follows.

Most significant

Any one of the following:

- our clients together hold 3% or more of the company's issued share capital
- we vote against management's recommendation
- the Investment Committee considers the vote significant for our clients, for example a takeover, merger, scheme of arrangement, investment trust continuation or wind-up resolution, or a significant governance change

We publish each vote, with our reasons.

Standard

All other votes cast. We publish totals for, against and abstained.

Insignificant

Routine business (as defined under Voting), or a vote cast in line with management's recommendation. These are included in totals only.

COOPERATION, STAKEHOLDERS AND CONFLICTS

We will act with other investors where that is in our clients' interests. We decide case by case, and always within the law, including the market abuse rules and the Takeover Code's concert party provisions.

Stakeholders. We communicate with boards, management, company brokers and, where relevant, other shareholders and advisers to investee companies.

Conflicts of interest. Engagement and voting can create conflicts. Examples are a client who is a director of an investee company, a business relationship between the firm and a company, or clients with different interests in the same vote. We identify and manage these under our Conflicts of Interest Policy, which is on our website. The annual statement will report any conflicts that arose and how we handled them.

INSTITUTIONAL INVESTOR CLIENTS

We do not currently manage assets for SRD institutional investors. SRD institutional investors are life insurers and occupational pension schemes.

If we take one on, we will give it the annual information required by COBS 2.2B.9R, either directly or by publishing it. That information covers:

- how our strategy fits its mandate and supports medium- to long-term performance
- key medium- to long-term risks
- portfolio composition, turnover and turnover costs
- our use of proxy advisers and our securities lending policy
- how we use companies' medium- to long-term performance, including non-financial performance, in investment decisions
- any conflicts of interest arising from engagement and how we dealt with them

If you are unsure whether you are an SRD institutional investor, please contact your investment manager.

RECORDS, GOVERNANCE AND REVIEW

We record every vote and every corporate action election, separately, at the time it is made. Each record holds:

- the company, meeting and resolution
- our clients' aggregate holding
- the decision, with reasons for any vote against management or significant vote
- who decided, and when the instruction was lodged
- the confirmation received

The Corporate Actions team owns the log. Records are kept for at least five years, and the annual statement is produced from the log.

Custodians. Our custody agreements require any third-party custodian to give us voting instruction records and confirmations. For significant votes decided on a poll, we may ask the company to confirm that our vote was recorded and counted, within 30 days of the meeting.

Governance. The Product Governance Committee approves this policy. We review it at least once a year, or sooner after a material change, and publish it on our website.

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James Sharp & Co is a trading name of James Sharp & Co LLP (OC422665)
Members of the LLP are referred to as Partners