

## **Stewardship Code**

Argonaut Capital Partners LLP (“Argonaut”) broadly supports the UK Stewardship Code (“The Code”) which was first published in July 2010, revised in September 2012 as a guide for good practice for institutional investors (and investment managers) when engaging with investee companies.

In line with the FCA’s requirements Argonauts’ Stewardship Code Statement discloses how they apply the Code’s Principles set out below.

### **Principle 1**

#### **Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities**

Argonaut is a boutique investment manager. Argonaut will only vote securities where it believes such voting to be in the best interest of its clients. While procedures for proxy voting exist, these are rarely exercised as Argonaut’s holdings are generally small in relation to investee companies and voting on every investee company would be unduly onerous, have little impact and add little value.

### **Principle 2**

#### **Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed**

Argonaut is an independent boutique investment business and so there is a low risk of conflict of interest. In the event that a potential conflict of interest is identified the governing body of the firm will meet and determine the appropriate course of action in accordance with its conflicts of interest policy.

### **Principle 3**

#### **Institutional investors should monitor their investee companies**

Argonaut undertakes research and constantly monitors the companies that form part of the fund’s portfolios.

### **Principle 4**

#### **Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value**

As a boutique manager the influence that Argonaut is able to bring to bear on investee companies is limited. In the event that Argonaut loses confidence in the management of an investee company the investment will be divested.

### **Principle 5**

#### **Institutional investors should be willing to act collectively with other investors where appropriate**

Argonaut would be willing to work collectively with other investors and will determine on a case by case basis whether such collaboration is in the best interests of its clients. However, in the normal course of events this would not be practicable so would only be undertaken if considered appropriate.

## **Principle 6**

### **Institutional investors should have a clear policy on voting and disclosure of voting activity**

Argonaut's policy is to exercise voting rights where it believes, taking into account the size of the holding, it is in the interests of the underlying clients for such rights to be exercised.

## **Principle 7**

### **Institutional investors should report periodically on their stewardship and voting activities**

If requested to do so Argonaut will send details of voting record to clients.

## **Shareholder Rights Directive II Disclosure**

The EU Directive (EU) 2017/828 ("SRD II") was implemented in the UK on 10 June 2019. The objective of SRD II is to encourage long-term shareholder engagement with investee companies regarding performance on strategy, governance, environmental and social issues.

We are required to develop and publicly disclose an engagement policy which complies with the requirements set out in the FCA's Conduct of Business Sourcebook and publicly disclose on an annual basis how that engagement policy has been implemented in a way that meets the requirements (including disclosure of certain voting activities in respect of shares in investee companies) or to publish a clear and reasoned explanation of why we have chosen not to comply with any such requirements. The engagement policy must describe how Argonaut:

- integrates shareholder engagement in its investment strategies;
- monitors investee companies on relevant matters (e.g. strategy, financial, non-financial performance and risk, capital structure, social and environmental impact and corporate governance);
- conducts dialogues with investee companies;
- exercises voting and any other shareholder rights;
- cooperates with other shareholders;
- communicates with relevant stakeholders of investee companies;
- manages actual and potential conflicts of interests in relation to Argonaut's engagement.

Argonaut is currently deciding whether to have an engagement policy and will publish further updates to this page in due course.