

## Gemsstock Limited

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### Shareholder Engagement Policy

#### Background

As a Full Scope AIFM that invests on behalf of investors in shares traded on a regulated market<sup>1</sup>, Gemsstock Limited (“Gemsstock” or “the Firm”) must:

1. (a) develop and publicly disclose an engagement policy that describes how the Firm:
  - i. integrates shareholder engagement in its investment strategy;
  - ii. monitors investee companies on relevant matters, including:
    - strategy,
    - financial and non-financial performance and risk,
    - capital structure, and
    - social and environmental impact and corporate governance;
  - iii. conducts dialogue with investee companies;
  - iv. exercises voting rights and other rights attached to shares;
  - v. cooperates with other shareholders;
  - vi. communicates with relevant stakeholders of the investee companies; and
  - vii. manages actual and potential conflicts of interests in relation to the Firm’s engagement; and(b) publicly disclose on an annual basis how its engagement policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and reporting on the use of the services of proxy advisors. With the exception of votes that are insignificant due to the subject matter of the vote or the size of the holding in the company, the Firm must publicly disclose how it has cast votes in the general meetings of companies in which it holds shares; **or**
2. publicly disclose a clear and reasoned explanation of why it has chosen not to comply with the requirement to develop and publicly disclose an engagement policy and/or to publicly disclose on an annual basis how its engagement policy has been implemented.

Gemsstock has chosen to comply with the requirement to develop and publicly disclose an engagement policy and/or to publicly disclose on an annual basis how its engagement policy has been implemented. The Firm’s Shareholder Engagement Policy is set out hereunder.

#### Shareholder Engagement Policy

##### *Integrating shareholder engagement in its investment strategy*

Gemsstock considers shareholder engagement as part of the overall assessment prior to and during the investment process. As the Firm invests on behalf of a variety of investors, Gemsstock acknowledges its fiduciary duty to preserve and enhance value on their behalf. As the Firm typically holds investments in companies on a long-term basis, Gemsstock regards shareholder engagement as a natural part of the Firm’s investment process. When investing in shares traded

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<sup>1</sup> For the purposes of the 2<sup>nd</sup> Shareholder Rights Directive, a regulated market includes UK regulated markets and any markets situated outside the UK which are characterised by the fact that (a) it meets comparable requirements to those of UK regulated markets and (b) the financial instruments dealt in are of a quality comparable to those in a regulated market in the UK.

on a regulated market, the Firm's investment process includes a holistic assessment of issuer of those shares including, but not limited to, an assessment of the social and economic environment in which that issuer operates. Voting rights arising from shareholdings are only exercised in instances when it is in the clients' best interests to do so.

*Monitoring investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, and social and environmental impact and corporate governance*

Gemsstock monitors investee companies as part of its investment management process which may include reviewing publicly available information on investee companies as well as third-party investment research and industry/peer-group comparison. When holding the shares of companies that traded on a regulated market, the Firm's investment management process includes a holistic assessment of issuer of those shares including, but not limited to, an assessment of the social and economic environment in which that issuer operates. Gemsstock seeks to avoid situations which may cause the Firm to receive inside information and has established policies and procedures which cover the behaviours which constitute as being market abuse as well as the potential misuse of inside information.

*Conducting dialogue with investee companies*

Typically, the Firm will not have direct dialogue with investee companies. However, Gemsstock retains discretion over how and when it may escalate its activities in respect of intervention. While it is not Gemsstock's standard practice, active intervention may take place if the Firm believes that this course of action would be in the best interests of its clients.

*Exercising voting rights and other rights attached to shares*

Gemsstock has a clear, defined and transparent approach to voting proxies which is detailed in the Firm's Proxy Voting Policy. Gemsstock's Proxy Voting Policy sets out the strategies adopted for the exercise of voting rights. In summary, these strategies are designed to ensure that the Firm votes in the best interests of its clients.

*Cooperating with other shareholders*

The Firm may consider acting collectively with other investors in instance where this is legally permissible and appropriate to do so. Gemsstock will ensure that its clients' interests are clearly aligned with the interests of other shareholders prior to deciding whether to collaborate and the Firm will always remain fully aware of potential conflicts of interest that could arise when cooperating with other shareholders (for example, concert party rules and exchange of confidential and/or insider information).

*Communicating with relevant stakeholders of the investee companies*

Typically, the Firm will not have direct communication with other stakeholders of an investee companies. However, Gemsstock retains discretion over how and when it may wish to communicate with other stakeholders. While it is not Gemsstock's standard practice, communication with other stakeholders may take place if the Firm believes that this course of action would be in the best interests of its clients. Gemsstock will ensure that our clients' interests are clearly aligned with the interests of other stakeholders prior to deciding whether to communicate and the Firm will always remain fully aware of potential conflicts of interest that could arise when cooperating with other stakeholders (for example, concert party rules and exchange of confidential and/or insider information).

*Managing actual and potential conflicts of interests in relation to the firm's engagement*

As a privately-owned, independently run firm with only one business activity (i.e. investment management), Gemsstock does not encounter some of the conflicts faced by larger financial services companies. Notwithstanding, the Firm has established, implemented and maintains a robust Conflicts of Interest Policy which clearly sets out how the Firm identifies, mitigates, manages, monitors, discloses and records actual and potential conflicts of interest. Through periodic training and awareness, the Firm creates an environment where Directors and employees' awareness of actual and potential conflicts of interests is conducive to identifying and resolving issues as and when they arise. In summary, all appropriate steps are taken to prevent conflicts of interest from arising. However, in the event that a conflict does arise, Gemsstock always places the interests of clients above its own interests. Furthermore, if a conflict arises between clients, the Firm will ensure its best endeavours to treat all its clients fairly.

**Annual disclosure in relation to the implementation of the Shareholder Engagement Policy**

In the 12 months to 31<sup>st</sup> December 2022, Gemsstock did not vote on a material number of matters and it is not the Firm's standard practice to be an activist shareholder. Gemsstock did not use of the services of proxy advisors in the 12 months to 31<sup>st</sup> December 2022. In the event that Gemsstock did exercise voting rights, these were deemed to be insignificant due to the subject matter of the vote or the size of the holding in the company. As such, Gemsstock is not making any disclosures on how the Firm has cast votes in the general meetings of companies in which it held shares in the 12 months to 31<sup>st</sup> December 2022.