

SHAREHOLDER RIGHTS DIRECTIVE II - ENGAGEMENT POLICY¹

This policy explains how Taconic Capital Advisors UK LLP (“Taconic”), complies with its obligations under the revised Shareholder Rights Directive (“**SRD II**”) with regards to shareholder engagement with public companies, as required per the FCA Handbook (COBS 2.2B.5R (1)(a)).

From time to time, Taconic exercises active ownership through proxy voting and engagement as a means of communicating its views to companies and influencing change. Taconic may use such engagement interactions to better inform its investment process, understand potential investment risks and opportunities, and to promote value-enhancing policies within companies.

Taconic generally focuses engagement on situations that it believes will impact the value of the company’s shares. These situations may include, but are not limited to, mergers, restructuring, financial disclosure, business strategy, capital allocation, management compensation, internal risk controls, and environmental and social factors.

The nature and length of Taconic’s engagement differs depending on the situation and relevant factors such as the nature of the matter, the severity of the matter, the company’s response, and how the information is assimilated and factored into Taconic’s overall investment decision.

Following such engagements, Taconic may come away with a more positive view of the company and its investment outlook, or with increased concerns that may lead Taconic to more closely monitor or reduce its exposure. Taconic also may take action through its proxy voting by voting against management on a targeted concern, including voting against the re-election of the Board members, as described further in Taconic’s Proxy Voting policy.

Monitoring investee companies

Taconic primarily monitors its investments, and develops its investment theses, through continual research and collaborative discussion between members of the investment team. As part of this process, Taconic engages with investee companies through meetings with the Board of Directors, executive management members and/or investor relations teams of the respective investee company. Due to the scale and diversity of the investment strategies managed by Taconic, individual investment teams may employ different styles and strategies when monitoring and engaging with investee companies. While not an exhaustive list, factors that may be taken into consideration, where appropriate, include:

- Business strategy and its execution;
- Risk management;

¹ Per article 3g(1) and (1)(a) of SRD II, as implemented by SYSC 3.4.4 R, asset managers (defined as: MiFID investment firms who provide portfolio management services; AIFMs (but excluding small AIFMs’ AIF-related activities); UCITS management companies; and UCITS funds without an external management company) must either develop and publicly disclose an engagement policy that meets the requirements of COBS 2.2B.6 R (an “engagement policy”) and publicly disclose on an annual basis how its engagement policy has been implemented, in a way that meets the requirements of COBS 2.2B.7 R; or publicly disclose a clear and reasoned explanation of why it has chosen not to comply with any of the requirements imposed.

- Environment and social concerns;
- Corporate governance; and
- Performance and capital structure.

Collective engagement

Recognizing the value of different forms of engagement, Taconic may carry out individual engagements as well as collaborative engagements with other shareholder or institutions. Taconic considers a range of factors when deciding whether participation in collaborative engagements would be effective and in the interests of its investors. These factors include, but are not limited to, the materiality of the matter at hand, the likelihood of obtaining consensus, and whether there are any conflicts of interest (or any other policy or legal matter) that would prevent such engagement.

Management of potential conflicts of interest

Taconic has adopted safeguards to ensure that matters relating to voting and engagement are not influenced by interests other than those of its clients. A discussion of managing conflicts of interest in the context of proxy voting is described in Taconic's Proxy Voting Policy, which is available to investors upon request. Taconic has policies in place to define limitations, disclosures, and approval requirements for activities that may create potential conflicts of interest. With respect to personal conflicts of interest, Taconic's Code of Ethics Policy prohibits Taconic personnel from serving as an officer or a member of the board of directors any other entity (without the prior approval of Taconic), limits the ability of Taconic personnel to trade in securities for their personal accounts, and requires all personnel to preclear certain personal securities transactions with Taconic's Compliance Department.

Approach for exercise of voting rights

In the event that Taconic receives proxies it will cast ballots in a manner it believes to be consistent with both its fiduciary duties and the interests of the Taconic Funds, and shall not subordinate the interests of the Taconic Funds to its own. Taconic also considers certain Environmental, Social and Governance ("ESG") factors, within the boundaries of those fiduciary principles. Further information regarding Taconic's approach to exercising voting rights can be found in the Taconic Proxy Voting policy, which is available to investors upon request.

Disclosure on the implementation of the Engagement Policy

Per the FCA Handbook (COBS 2.2B.5R (1)(b)), firms are required to publicly disclose how their Engagement Policy has been implemented, or provide a clear and reasoned explanation of why it has chosen not to publicly disclose this information. Taconic considers its engagement with investee companies to be an important part of its investment process, but also one that can be commercially sensitive in certain situations. While Taconic does not believe there are many situations that would require disclosure, due to the size of Taconic's holding in the relevant companies or the insignificance of the subject matter of the vote, Taconic is of the view that its investors interests are best served by not making such matters public. Public disclosure of Taconic's exercise of votes in the general meetings of companies in which its clients hold shares is not in the best interest of its clients as doing so may (i) cause the relevant company or its management to have a false perception that any precedent or pattern in voting may give an indications as to Taconic's future voting intentions; (ii) cause Taconic to be in breach of confidentiality

undertakings provided to the relevant company; and as a result of the foregoing, and (ii) restrain Taconic's ability to have constructive, private and confidential discussions with management of relevant companies.

For these reasons, Taconic has decided not to disclose publicly how the Engagement Policy has been implemented, but welcomes further engagement with investors upon request.

Financial Reporting Council's Stewardship Code

Under Rule 2.2.3R of the Financial Conduct Authority's (FCA) Conduct of Business Sourcebook, Taconic Capital Advisors UK LLP ("Taconic" or "the Firm"), to the extent it is managing investments for a professional client (as defined by the FCA), is required to include a disclosure about the nature of its commitment to the UK Financial Reporting Council's Stewardship Code (the Code) or, where it does not commit to the Code, explain its considered choice based on the Firm's investment approach. The Code is a voluntary code and sets out a number of principles relating to engagement by investors in UK-listed companies.

Taconic generally supports the objectives that underlie the Code although the nature of its investment strategy is such that its provisions are not materially relevant. Taconic's approach to engagement with the entities in which it invests on behalf of a range of Taconic funds is set-out in this document, as well as in Item 17 of Part 2A of Form ADV for Taconic Capital Advisors L.P., to which Taconic is a relying adviser. The Form ADV is publicly available via this link:

https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=632893