

Adepa Asset Management S.A. VOTING RIGHTS POLICY

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1. Introduction

This policy offers detailed and comprehensive information on how Adepa Asset Management S.A. (“Adepa”) effectively manages the voting rights attached to the instruments held in the portfolios under its supervision.

Adepa believes that is an essential part of Adepa’s ownership responsibilities to promote good practices in corporate governance among the companies in which Adepa’ portfolio invest in. Corporate governance refers to the system by which a company is directed and controlled. It relates to the functioning of the managing board, supervision mechanisms, and the relationship with their shareholders. Good corporate governance creates the context that ensures that a company is managed in the long-term interest of shareholders and avoids short-term risks that may negatively impact shareholders and other stakeholders.

1.1 Legal environment and regulatory framework

Adepa is a management company pursuant to Chapter 15 of the Law dated 17 December 2010 relating to undertakings for collective investments and acts also as alternative investment fund manager (“AIFM”) pursuant to Chapter 2 of the Law dated 12 July 2013 relating to AIFMs.

Adepa engages this policy for the exercise of the voting rights according to the CSSF Regulation 10-04, 2013 regarding the management of UCITS, the Commission Delegated Regulation (EU) n° 231/2013, 2013 regarding the management of AIFs and the CSSF Circular 18/698 in relation to the organisation of investment fund managers incorporated under Luxembourg law.

2. Decision making process

2.1 Roles and Responsibilities

The decision-making process of the voting rights activity will be determined by the mandates that Adepa may hold for each of its portfolios under supervision. In this sense, the decision-making process may be:

- Directly exercised by Adepa, or
- Delegated to external investment managers.

2.1.1 Direct exercise

The exercise of voting rights is carried out by the Investment Management Department at Adepa, which is supported by an external advisor specialized in corporate governance and proxy advisory services. The Investment Management Department is in charge of coordinating all voting-related activities, which are among others the following:

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- monitoring the voting scope;
 - managing relations with custodians;
 - analysing the voting resolutions proposed by issuers;
 - casting votes according to the voting guidelines and the voting principles;
 - ensuring proper disclosure and transparency to third parties;
 - ensuring proper functioning of the voting platform and tools provided for the voting exercise;
 - reporting Executive Management;
 - dealing with conflict of interest;
 - supervising proxy activity delegated to external managers,
 - ensuring proper update of this policy and other internal procedures related to the voting rights activity.
 - keeping an annual record of voting rights performed.

2.1.2 Delegation to External Investment Managers

Adepa delegates the voting activity to external investment managers. The external investment managers may carry out the voting activity by its own means and following their own voting guidelines or by engaging a service provider that may assist them in the voting of proxies.

External investment managers to which Adepa delegates portfolio management are required to have a voting right policy and they should exercise voting rights in line with good practices in corporate governance, and to report Adepa regularly on votes casted.

In any case, Adepa performs oversight of such activities in order to ensure that regulatory requirements are met.

2.2 Voting scope

According to this policy, voting rights are exercised on instruments for UCITS and AIF for which voting rights are delegated to Adepa. However, as the costs of the proxy voting activity may offset the benefits from exercising the voting rights, Adepa won't vote on those instruments which may be considered insignificant due to the subject matter of the vote or to the size of Adepa's global position in a particular instrument or company.

In this sense, Adepa performs a global approach analysis to its portfolios and concentrates its efforts on:

- voting in positions held in several funds at the discretion of the Investment Management Department, that will use different metrics in order to determine the voting scope, and
- participating in those shareholders' meetings of companies in which Adepa's portfolios hold a significant part of the capital in each fund.

Adepa will also exercise its voting rights in other cases where the result of a shareholder vote may lead to material changes in the value of a portfolio investment.

2.3 Voting principles

Adepa's voting principles act as a guiding framework by which Adepa executes the ownership responsibilities of voting and engaging. These voting principles are based on the International Corporate Governance Network (ICGN) principles and are the keystone of the Adepa Voting Guidelines:

- a) Act in the long-term interests of shareholders, while having regard to relevant stakeholders.
- b) Treat shareholders equitable and protect minority rights.
- c) Promote independence and balance within board structure.
- d) Integrate high-standards of business ethics into the company's strategy and operations.
- e) Adopt a risk management approach.
- f) Align remuneration with long-term interests of shareholders.
- g) Disclose accurate, adequate, and timely information.
- h) Facilitate the execution of shareholders rights.

2.4 Voting guidelines

The voting guidelines provide detailed information on how Adepa votes on the most common proxy voting items. They address key voting issues which can be grouped in several topics:

- a) Board of Directors
- b) Compensation
- c) Capital structural proposals
- d) Shareholder proposals
- e) General corporate governance matters
- f) Environmental purposes
- g) Social purposes

For each issue, these guidelines highlight criteria that, according to the best practices, may lead Adepa to support or not voting proposals in a consistent manner. Voting decisions are based on the following considerations:

- For: The proposed resolution reflects good practice and is in the shareholders' long-term interest.
- Abstain: The proposal raises issues of concern for shareholders or lacks sufficient information.
- Against: The proposal is not acceptable and is not in the shareholders' long-term interest.

2.5 Use of an external advisor

Adepa engages the services of an external advisor specialised in corporate governance and proxy advisory services in order to be provided with the knowledge and necessary tools to implement this policy and fulfil current and regulatory requirements in this field.

3. Conflict of Interest and Transparency

The proxy voting activity may lead to conflicts between Adepa clients' interests and Adepa's interest itself in certain cases:

- When business relations between the company whose shares are being voted on and Adepa exist.
- When the exercise of voting rights is related to instruments or investment vehicles related to Adepa.
- When employees are linked personally or professionally with an instrument whose securities are submitted to vote.

In those cases, it has been established a procedure that will help the Investment Management Department to deal with any potential conflicts and compile sufficient records.

Adepa is committed to transparency in relation to its voting rights approach and execution. A copy of this policy will be available to investors free of charge in the corporate website. Adepa will make also available to its investors a summary of Adepa's annual voting activity and the most relevant voting decisions during the period at request.