



# **Voting Rights Policy**

**(Version 3 as of September 2021)**

## Document history

Version	Date	Description	Author	Next Regular Review
1	03/09/2019	Initial version	BB/JK	September 2020
2	01/09/2020	Updated version	BB/JK	September 2021
3	01/09/2021	Reviewed version	BB/JK	September 2022

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## 1 Definitions

Abbreviation	Definition
AIF	Alternative Investment Fund(s) or sub-fund(s) thereof managed by AOCorp
AIFM	Alternative Investment Fund Manager, as defined in the AIFM
AIFM Law	Luxembourg Law of 12 July 2013 on alternative investment fund managers, as amended
AIFM Regulation	Commission Delegated Regulation (EU) n°231/2013 of 19 December 2012 and/or all other applicable laws, regulations, circulars and other binding rules and guidelines.
AOCorp	Active Ownership Corporation S.à r.l.
AOF or Fund	Active Ownership Fund SICAV-FIS SCS
Board of Managers or BoM	The Board of Managers of AOCorp
Company	Active Ownership Corporation S.à r.l., a limited liability company (société à responsabilité limitée) organised under the laws of the Grand Duchy of Luxembourg, having its registered office at 17, rue de Flaxweiler, L-6776 Grevenmacher, Luxembourg, and registered with the Luxembourg Register of Companies (Registre de Commerce et des Sociétés) under number B 237.258.
Conducting Officer or CO	A Conducting Officer of the AIFM
CSSF	The Luxembourg regulator of the financial sector (Commission de Surveillance du Secteur Financier)
Policy	Voting Rights Policy
R.C.S.	The Luxembourg Register of Companies

## 2 Introduction

Active Ownership Corporation S.à r.l. ("**AOCorp**") is an alternative investment fund manager ("**AIFM**") authorised by the *Commission de Surveillance du Secteur Financier* ("**CSSF**") in Luxembourg under Chapter 2 of the law of 12 July 2013 on alternative investment fund managers ("**AIFM Law**"), the Delegated Regulation 231/2013 and all other relevant and applicable Laws, Regulations and CSSF Circulars in their currently valid version.

AOCorp has its registered seat at 17, rue de Flaxweiler, L-6776 Grevenmacher and is governed by the Board of Managers ("**BoM**"). It is registered with the Luxembourg Register of Companies ("**R.C.S.**") under number B 237.258.

AOCorp obtained its AIFM license on 13 August 2019, and is registered with CSSF register number A00002485.

AOCorp inter alia is appointed as AIFM of Active Ownership Fund SCS, SICAV-FIS (R.C.S. register number: B 200.454, CSSF register number: O00008641) ("**AOF**") and Active Ownership Lux Feeder Fund SCS, an unregulated AIF (R.C.S. register number: B 242.471, CSSF register number: V4009) ("**LuxFeeder**").

Pursuant to the AIFM Regulation and the relevant European regulations, an AIFM must have a strong internal governance framework that ensures the sound and prudent management of its activities and inherent risks. This means in particular that the internal governance must ensure sound and prudent management of the AIFM's activities including their inherent risks. In order to achieve this objective an AIFM must set up an internal governance system that complies with the "three-lines-of-defense-model" concept.

In order to fulfil the above mentioned requirements AOCorp established and implemented the below described procedures setting out the legal and regulatory requirements, as well as the related actions, which the AIFM complies with in order to meet its obligations in the area of voting rights.

The AIFM developed an adequate and effective policy for determining when and how voting rights attached to instruments held in the managed portfolios are to be exercised, so that these rights benefit exclusively the AIF concerned ("**Policy**").

The Policy is reviewed on a regular basis, at least once a year or event driven in order to comply with the AIFM Regulation.

## 3 Scope and Purpose of the Policy

The AIFM has a suitable and efficient Policy in place permitting the exercise of voting rights attached to the instruments held in the portfolios in the exclusive interest of the AIF concerned. This Policy is regularly updated.

The Policy determines measures and procedures for:

- monitoring relevant corporate events;
- ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the AIF;

- preventing or managing any conflicts of interest arising from the exercise of voting rights.

It is also acceptable for the AIFM, when establishing its own policy for exercising voting rights, to refer to recognized international standards.

Details of the actions taken on the basis of this Policy are made available to investors free of charge and upon their request.

A summary description of this Policy is also made available to investors by the AIFM, free of charge, upon request.

The AIFM maintains in an adequate and orderly manner records of its activities and its internal organization. To this end, the AIFM puts in place "management information" permitting the follow-up of its activity and covering the exercise of voting rights.

#### **4 Strategy in exercising voting rights**

It is the strategy of AOCorp to acquire significant minority stakes in publicly listed companies, and to run a concentrated portfolio consisting of 5-20 core investments, each normally making up between 5% and 25% of a AIF's invested capital. Based on this strategy, AOCorp intends to exert, directly or indirectly, significant influence on a portfolio company and its management.

Part of AOCorp's proper management of its AIFs is the exercise of shareholders' rights. Inter alia by exercising voting rights, AOCorp can influence the development of its portfolio companies and positively steer their increase in value sustainably.

When attending shareholder meetings AOCorp acts in the best interest of the investors in an AIF, while staying independent from third party interests, avoiding conflicts of interest and respecting the integrity of the market. In general AOCorp's portfolio managers attend shareholder meetings physically in person and voting rights are exercised directly without the use of proxies. How voting rights will be exercised will be assessed on a case-by-case basis after having conferred with the respective analyst of the company, in line with the investment objectives and policy of the AIFs and depending on the strategy pursued for the respective company. There is no general voting scenario provided. Strategies taken into consideration may be revenue growth, margin expansion, improving capital allocation or improving corporate governance, or mergers and acquisitions.

If shareholder meetings are not attended physically in person, which may be the case for portfolio companies in which only a minor stake is held, AOCorp either exercises voting rights by proxy voting or abstains from a vote, after having conferred with the respective analyst of the company.

The monitoring of corporate actions linked to the shares held is performed by the portfolio managers, in collaboration with the central administration.