



# **Rules of Conduct – Best execution**

**Active Ownership Corporation S.à r.l.**

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## 1 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-SIF (R.C.S. register number: B 200.454, CSSF register number: 000008641) ("**AOF**").

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 has established and implemented the below described procedures setting out the rules of conduct applicable to AOCorp employees ("**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.

[...]

### 1.1 Handling of orders

In principle, the AIFs managed by AOCorp do invest in transferable securities and, generally, in instruments for which the handling of orders rules are relevant.

When executing orders on behalf of managed AIFs, AOCorp ensures the prompt, fair and expeditious execution of such orders. To this end, AOCorp:

- ensures that the orders executed on behalf of the AIFs are promptly and accurately recorded and allocated;
- executes otherwise comparable AIF orders sequentially and promptly, unless the characteristics of the order or the prevailing market conditions make this impracticable, or the interests of the AIFs or of the investors in the AIFs require otherwise.

For financial instruments, sums of money or other assets received in settlement of any executed orders AOCorp ensures that they will be promptly and correctly delivered to or registered in the account of the relevant AIF.

AOCorp will not misuse information related to pending AIF orders and takes all reasonable steps to prevent the misuse of such information by the members of its BoM, senior management and staff.

## **1.2 Best execution of decisions to deal on behalf of AIFs**

In principle, the AIFs managed by AOCorp do invest in transferable securities and, generally, in instruments for which the best execution rules are relevant. These rules are outlined as follows:

When buying or selling financial instruments or other assets for which best execution is relevant, AOCorp will act in the best interests of the AIFs or the investors in the AIFs.

To this end, whenever AOCorp is to execute decisions to deal in such assets on behalf of AIFs in the context of the management of their portfolio, it will take all reasonable steps to obtain the best possible result for the AIFs or the investors in the AIFs, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. The relative importance of such factors will be determined by reference to the following criteria:

- the objectives, investment policy and risks specific to the AIF, as indicated in the AIF's management regulations or instruments of incorporation and its offering document;
- the characteristics of the order;
- the characteristics of the financial instruments or other assets that are the subject of that order;
- the characteristics of the execution venues to which that order can be directed.

The foregoing shall only apply to the extent that there is a choice of different execution venues for the assets in question. Where there is no choice of different execution venues, AOCorp will be able to demonstrate that this is the case.

AOCorp and the Depositary bank will apply the principle of proportionality to ensure best execution when placing orders.

## **1.3 Aggregation and allocation of trading orders**

All orders are traded on behalf of an AIF or its portfolio companies, i.e. on behalf of the legal entity. AOCorp does not aggregate and allocate trading orders.

If orders should be aggregated and allocated in the future, until the establishment of an order allocation policy, there must be a Board of Managers resolution prior to an aggregation of orders.

#### 1.4 Execution of subscription and redemption orders

Where the relevant administrative and transfer agent mandated by the AIFM (“**the relevant agent**”) has carried out a subscription or, where relevant, a redemption order from an investor, it promptly provides the investor, by means of a durable medium, with essential information regarding the execution of that order or the acceptance of the subscription offer, as the case may be.

Such essential information includes the following elements:

- identification of the AIFM;
- identification of the investor;
- the date and time of receipt of the order;
- the date of execution;
- identification of the AIF;
- the gross value of the order including charges for subscription or the net amount after charges for redemptions;

The relevant agent supplies the investor with the offering document and the management regulations or instruments of incorporation of the AIF concerned and, upon request, with information about the status of the order or the acceptance of the subscription offer or both, as the case may be.

[...]