



*Registered office: 3, Boulevard Royal L-2449 Luxembourg
R.C.S. Luxembourg: Section B, number 221.009*

Proxy Voting and Shareholder Engagement Policy

The **Company** (or, the “**AFFM**”) refers to AFFM S.A. having its registered office at 3, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, organized in the legal form of a public limited company (Société Anonyme). The Company has been incorporated on the 10 of January 2018 and is authorized by the Commission de Surveillance du Secteur Financier (the “**CSSF**”).

The Company is a Chapter 15 management company in accordance with the 17 December 2010 Luxembourg Law concerning undertakings for collective investment, as amended (the “**2010 Law**”) and is governed by this law and by the 13 July 2013 Luxembourg Law on alternative investment fund managers, as amended (the “**AIF Law**”).

The **Funds** refer collectively to the undertaking for collective investments (**UCIs**) managed by the Company, for the account and the exclusive interest of the subscribers of the UCI’ shares and units (the “**Investors**”).

I. Legal background and purpose

In compliance with Applicable Regulation, AFFM ensures the implementation of active monitoring of investee companies for its Funds, which includes engaging in the close and constructive dialogue with their corporate bodies, making proper assessment of those shareholder engagement aspects which relates to environmental, social and governance (**ESG**) principles and exercising voting, to improve the governance and financial performance of such investee companies.

Under AFFM supervision and due diligence, the delegated investment manager implements active engagement within its investment process, not only taking into account financial performances, but also extra-financial information and analysis, the management style and the strategy of every investee company, the level of transparency and the companies’ consideration of ESG issues across their business.



With reference to voting rights attached to assets, In accordance with Article 23 of CSSF Regulation 10-4, the performance of voting by proxy (the “**Proxy Voting**”) is subject to strict regulation and mentions for the establishment of:

- Appropriate and effective strategies for the exercise of voting rights
- Measures and procedures to:
 - Monitor corporate events;
 - Ensure that voting rights are properly exercised;
 - Prevent or manage conflicts of interest resulting from the exercise of voting right.

In order to safeguard the best interests of its clients, the Company considers the exercise of voting rights attached to securities in which it is invested as crucial.

Therefore, the Company has implemented a dedicated policy to respect its commitment to centralize the exercise of voting rights for greater efficiency and coherence with respect to the interests of shareholders.

Moreover, details of the actions taken to implement the strategies for the exercise of voting rights are available for unit-holders free of charge, on request.

II. Organisation of proxy voting

Centralization of the Voting Function

The Company is responsible for the exercise of voting rights attached to securities held in portfolio, respecting the interests of shareholders.

The depositary bank deals with relationships between the various stakeholders in the voting chain.

Voting Strategy

The Company engages itself to act in the best interests of the Investors in all activities relating to the management of investment funds.

Therefore, the Company will, on behalf of the Investors and according to the investment hold, exercise its ownership role in the companies in which the Company is a shareholder or unit-holder.



The Company will exercise its voting rights with the objective to reach the optimal development of the Company value. This involves dealing with matters related to the composition of each investee company's board and proceedings before and during shareholders' meetings. Any corporate events concerning companies in which the Company has invested and places a vote should be monitored to determine the relevant action to be taken.

Pursuant to article 23 of CSSF Regulation 10-04, this procedure describes how voting rights are exercised and confirms that their exercise is made in accordance with the Company objectives and investment policy, in a way preventing conflicts of interests.

Relationships with the Investee Company

The Company participates in Annual General Meetings of the companies in which it is a shareholder or unit-holder. The Company shall exercise its voting rights in the direction of a long-term maximization of share value.

The Company will take action in such a way that:

- investee companies comply with the rules regulating shareholder influence created by law and stock exchange contracts;
- as a shareholder, the Company will be in possession of the necessary information, prior to the Annual General Meetings or Extraordinary General Meetings, in order to be able to have a constructive opinion and to comment on proposals presented at those meetings.

Governance Issues

The Company shall exercise the ownership role without the necessity for being self-represented on the board of the investee company. Indeed, board representation may affect the Company ability to pursue an active and efficient management, and may be difficult to reconcile with the obligation to redeem at any time assets at the client's request.

The Company ensures that:

- each investee company has a competent and efficient governance body, with adequate and various management skills.
- a nomination process take place prior to the appointment of its members. The Annual General Meeting shall appoint a nominating committee or specify the arrangements



made for the appointment of the Election Committee. The Election Committee shall represent the shareholders of the company.

- proposals for new directors are justified.

The Company shall act exclusively in the best interests of the Investors and – together with the Investment Manager – must continuously monitor and analyse developments in the investee companies, including through direct contacts with each company, and shall work to ensure that good practice in the stock markets are observed.

The Company works in respect of the principles of corporate governance presented in the *ALFI Code of Conduct for Luxembourg Investment Funds*.

III. Record-keeping

The Company will keep the following records relating to proxy voting decisions cast under these policies and procedures:

- a copy of these policies and procedures.
- a copy of each proxy statement that the Company receives regarding client securities.
- a record of each vote cast by the Company on behalf of a client, summarized in tabular form.
- a copy of any document from consulted sources which has had an influence on a decision-making on how to vote proxies on behalf of a client or that reminds the basis for that decision.
- a copy of each written client request for information on how the Company voted proxies on behalf of the client, and a copy of any written response provided by The Company to any client's request for information.

These records will be retained for a period of 5 years.

IV. Disclosures

The Company ensures information and understanding on voting policies and procedures and that a written copy of them is provided to clients upon request.