

## Voting rights

### **Reminder of the Rules**

#### **CSSF REGULATION NO. 10-4**

“CHAPTER III CONFLICTS OF INTEREST

[...]

Article 23 Strategies for the exercise of voting rights

1. Management companies shall develop adequate and effective strategies for determining when and how voting rights attached to instruments held in the managed portfolios are to be exercised, to the exclusive benefit of the UCITS concerned.

2. The strategy referred to in paragraph (1) shall determine measures and procedures for:

- a) monitoring relevant corporate events;
- b) ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant UCITS;
- c) preventing or managing any conflicts of interest arising from the exercise of voting rights.

(3) A summary description of the strategies referred to in paragraph (1) shall be made available to investors. Details of the actions taken on the basis of those strategies shall be made available to the unitholders free of charge and on their request.”

#### **CSSF CIRCULAR NO. 12/546**

*Section 5.2.6.2. Strategy for the exercise of voting rights (Article 23 of Regulation 10-4)*

The management company must, amongst others, develop an adequate and effective strategy 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 UCITS concerned.

An investment company that has designated a management company but has not specifically mandated the management company to exercise the voting rights attached to the instruments held in its portfolio, must develop its own strategy for the exercise of voting rights.

It is also acceptable for a management company, when establishing its own strategy for exercising voting rights, to refer either to the strategies established in this regard by the group to which it belongs or to recognised international standards.

A brief description of this strategy must be made available to investors free of charge, in particular by way of a website.

At the moment of its authorisation, the management company must confirm that a suitable and efficient strategy has been put in place permitting the exercise of voting rights attached to the instruments held in the portfolios in the exclusive interest of the UCITS concerned. This strategy must regularly be updated. The CSSF reserves the right to demand a copy of this strategy at any moment.

<b>PROCEDURE REFERENCE :</b>	<b>POL – 002</b>	<b>SHORT NAME :</b>	<b>Voting rights</b>
<b>CREATION DATE :</b>	<b>01/12/2015</b>	<b>CREATED BY :</b>	<b>DML</b>
<b>VALIDATION DATE :</b>	<b>02/02/2016</b>	<b>VALIDATED BY :</b>	<b>Board of Directors</b>
<b>LATEST UPDATE</b>	<b>16/02/2017</b>		

## 1. Introduction

The Board of Directors of the Management Company has approved the following policy (hereafter “the Policy”) for exercising voting rights on behalf of the Funds under management in the best interest of unit holders.

This Policy covers the securities held by the Funds managed by the Management Company, for which the board of directors of the Fund has specifically mandated the Management Company to exercise the voting rights attached to the instruments held in its portfolio, and did not decide to apply another voting right policy specific to the Fund.

The Policy is available free of charge for investors on the website of the Management Company or on their request and any material changes to the policy will be made available to the investors of the Funds in the same manner.

## 2. Procedure

When mandated by the board of directors of a Fund, the Management Company will instruct the investment manager or the depositary bank to vote on behalf of the Fund at the annual general meeting or the extraordinary general meeting of the shareholders of a specific security held by the Fund when:

- the position held by the Fund exceeds the detention threshold defined by the European Directive 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.
- the annual/extraordinary general meeting of the shareholders of the security has to vote on one or several aspects likely to affect significantly the interests of the Fund, such as corporate governance issues, changes to capital structure, stock option plans and other management compensation issues, social and corporate responsibility issues, appointment and removal of directors, etc.

If the position held by the Fund does not exceed the aforementioned threshold, the Management Company may abstain from voting.

When exercising the voting rights, The Management Company will act exclusively in the best interest of the Fund and its investors, in accordance with the investment objectives of the Fund and in such as a way to prevent conflicts of interest.

The Management Company will act on a best effort basis and, as long as the relevant information on the voting possibility is publicly available and provided to the Management Company by the depositary bank of the Fund.

## 3. Control points reminder

<b>Name of the Control</b>	<b>Team in Charge</b>	<b>Periodicity</b>
Review of Funds’ voting rights policies	Compliance Officer	Initially / annually
Review of the list of Funds mandating the Management Company for voting	Compliance Officer	Annually
Review of Corporate Events’ reports provided by the depositary bank of the Funds	Compliance Officer	Ad hoc