

Voting Rights Policy

Table of contents

1. Definitions and acronyms	2
2. Regulatory Background	2
3. Purpose of the Policy	3
4. Procedure.....	4
5. Control points reminder	5

PROCEDURE REFERENCE:	POL - 2	SHORT NAME:	Voting Rights
CREATION DATE:	01.12.2015	CREATED BY:	DML
VALIDATION DATE:	February 2016	VALIDATED BY:	Board of Directors
LATEST UPDATE :	April 2023		

1. Definitions and acronyms

AIF

Alternative Investment Fund, in line with the AIFM Law as of 12 July 2013.

AIFM

Alternative Investment Fund Manager, Renta 4 Luxembourg S.A, acting on behalf of AIF.

Board or BoD

Board of Directors of the IFM.

Conducting Officer

The person in charge of conducting, monitoring and supervising the activities and the business of the IFM.

Conflict of interest

a situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity.

CSSF

Commission de Surveillance du Secteur Financier.

Delegated Investment Managers

Delegated third party in charge of portfolio management.

Fund

UCITS or AIF managed by the IFM.

General Partner

The eventual General Partner of funds managed by IFM.

Investor

Unit/share holder in UCITS/AIF managed by IFM.

IFM

Investment Fund Manager, Renta 4 Luxembourg, acting on behalf of an investment fund.

Renta 4 Luxembourg S.A.

The Investment Fund Manager (hereafter, the "IFM"), a société anonyme incorporated in Luxembourg with registered address at 70, Grand-rue L-1660 Luxembourg, registered with the Luxembourg trade and companies under number B 200 177

2. Introduction

Renta 4 Luxembourg S.A. (hereinafter the "IFM"), is an investment fund manager authorised by the Luxembourg supervisory authority, i.e. the Commission de Surveillance du Secteur Financier ("CSSF"), as a management company pursuant to Chapter 15 of the Luxembourg law of 17 December 2010 on Undertakings for Collective Investment (hereinafter "UCI Law") and as an Alternative Investment Fund Manager pursuant to article of the Luxembourg law of 12 July 2013 on alternative investment fund managers (hereinafter "AIFM Law").

Within the scope of its regulatory authorization, IFM manages funds that qualify as undertakings for collective investment in transferable securities ("UCITS") or alternative investment funds ("AIF").

3. Regulatory Background

The IFM has implemented this Voting Rights Policy in compliance with the following legal and regulatory requirements:

EU Regulation	Commission Delegated Regulation (EU) No 231/2013 (art. 37)
EU Directive	Directive 2004/109/EC of the European Parliament and of the Council
	Directive 2014/91/EU of the European Parliament and of the Council
	Directive 2011/61/EU of the European Parliament and of the Council
Luxembourg Law	Law of 17 December 2010 relating to Undertakings for Collective Investment
	Law of the 12 July 2013 on Alternative Investment Managers (“AIFM Law”)
	CSSF Regulation 10-04 of 1st July 2013 (Art. 23)
	CSSF Circular 18/698: Authorisation and organisation of Luxembourg Management Companies (Section 5.5.10)

4. Purpose and scope

The purpose of this Policy is to define the minimum measures and procedures required by the IFM, when responsible to exercise of voting rights.

4.1. Investment Management performed internally

In accordance with the provisions set out by the present Policy, the IFM shall develop adequate and effective strategies for determining when and how any voting rights held in Funds’ portfolios it manages, are to be exercised, to the exclusive benefit and interest of the Funds concerned.

The strategy shall determine measures and/or procedures for:

- Monitoring relevant corporate actions;
- Exercising of the voting rights if deemed appropriate;
- Preventing or managing any conflicts of interest arising from the exercise of voting rights.

This Policy covers the securities held by the Funds managed by the IFM, for which the Board of Directors and/or General Partner of the Fund has specifically mandated the IFM to exercise the voting rights attached to the instruments held in its portfolio, and did not decide to apply another Voting Rights policy specific to the Fund.

4.2. Investment Management delegated

- When delegating the Investment Management function on behalf of a given Fund, the IFM may retain the right to instruct the Delegated Investment Manager how to exercise voting rights.

These instructions are mostly related to the voting (during the annual / extraordinary general meeting of the shareholders) on aspects that may 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.

The IFM 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 IFM.

- The IFM may also delegate the exercise of voting rights relating to the assets held to the designated Delegated Investment Manager.

If the Delegated Investment Manager's voting rights policy is not compliant with general principles of the IFM on the use of voting rights or if the Delegated Investment Manager does not possess such a policy, the IFM's Voting Rights Policy will be applied.

- Before the contract with the Delegated Investment Manager will take effect, an **Initial Due Diligence** is conducted as part of which, inter alia, IFM ensures that the Delegated Investment Manager has, where appropriate, developed an adequate and effective strategy for determining when and how voting rights attached to instruments held in the managed portfolios are to be exercised. The delegate's strategy must prevent any conflicts of interests and to be to the exclusive benefit of the Fund concerned and its investors.
- IFM through the **Ongoing Due Diligence** process, will ensure also that the Delegated Investment Manager has measures in place to prevent or manage any conflicts of interest arising from the exercise of voting rights.

The Delegated Investment Manager must exercise the voting rights in accordance with the Fund's investment policies and objectives.

5. General Principles

The IFM's Board of Directors has established, and periodically reviews, a minimum percentage holding below which it has considered that, for cost efficiency reasons, it is in the best interest of shareholders not to exercise their voting rights. For the time being, this percentage is set at 1% of total holding for any target company. In addition, a member of the IFM's Board of Directors may, in the best interests of the shareholders, request a waiver of this limit. As a general rule, the IFM abstains from voting when its Board's members have any relationship with the issuer of the security.

When voting rights are exercised by the IFM, the points presented below represent a non-exhaustive list of criteria to consider:

- In exercising voting rights, the IFM shall make a careful assessment of the issues that may materially affect the sub-fund and its shareholders. All proposals will be reviewed on a case-by-case basis, taking into consideration elements such as the profitability and the best interest of the Fund concerned.
- The exercise of voting rights shall be conducted with reasonable care, caution and diligence.
- The IFM shall take into consideration the principles of corporate governance of issuers along with the way that voting in a general assembly may influence issuer's traded price.
- The IFM shall consider whether the proposed action is the best means of enhancing value for the Fund concerned holding the securities and will positively affect the security issuer's long-term prospects.

Under some circumstances and due to the nature and specific investment strategies of the Fund concerned, not all criteria listed above can be considered at the same time.

The Policy is subject to a periodic review, at least annually, and approved by the Board of the IFM. It is regularly updated and freely available to the CSSF.

The Policy is also available free of charge for investors on the website of the IFM, or upon their request. Any material changes to this Policy will be made available to the investors of the Funds in the same manner.

6. Control points reminder

Name of the Control	Responsibility	Periodicity
<ul style="list-style-type: none"> Reviewing the IFM's Voting Rights Policy. 	Compliance Officer	Annually
<ul style="list-style-type: none"> Ensuring that the Delegated Investment Manager has developed (when appropriate) an adequate and effective strategy for determining when and how voting rights attached to instruments held in the managed portfolios are to be exercised. 	Compliance Officer	During Initial & Ongoing Monitoring.
<ul style="list-style-type: none"> Controlling that the investors have a free of charge access to the Policy on the website or at their request and that any material change is made available to them and to the details of the actions taken on the basis of those strategies. 	Compliance Officer	Annually
<ul style="list-style-type: none"> Controlling the existence of adequate and effective voting strategy of the IFM. Ensuring that the strategy for voting rights is regularly updated and that the CSSF has a free access to it. 	Compliance Officer	At the moment of its authorisation / Regularly / At each request of the CSSF for a copy of the strategy.