

PROXY VOTING POLICY

Exercise of Voting Rights Policy and
Procedures

Document Control

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Table of Contents

1

Overview

4

1.1

Introduction

4

1.2

Scope

4

1.3

Objectives.....

4

1.4

Regulatory Requirements

5

2

Strategies for exercise of voting rights

5

2.1

Introduction - General Principles

5

2.2

Monitoring corporate actions

6

2.3

Exercise of voting rights

6

3

Responsibilities and Processes

9

3.1

Portfolio Management Function.....

9

3.2

Risk Management Function

10

3.3

Compliance Function.....

10

4

Monitoring

10

5

Record Keeping

10

6

Review, Maintenance and Amendment

10

7

References.....

11

8

Document - Authorisation | Approval

11

TablesNo table of figures entries found.

1 Overview

1.1 Introduction

This Proxy Voting Policy (hereinafter “Policy”) set out an adequate and effective strategies for determining when and how any voting rights held by the alternative investment funds (hereinafter “AIFs”) managed by R+V AIFM S.à r.l (hereinafter the “AIFM”) are to be exercised, for the exclusive benefit of the AIF concerned and its corresponding investors.

1.2 Scope

This Policy provides a framework for the AIFM to establish and maintain effective processes in relation to the exercise of voting rights. In specific terms, the policies and procedures are designed to address the following requirements:

- the AIFM shall develop adequate and effective strategies for determining when and how any voting rights attached to voting shares or any other assets held by the AIFs (for which it carries out portfolio management) are to be exercised.
- the AIFM shall exercise any voting rights for the exclusive benefit of the AIFs and its corresponding investors.
- the strategies developed shall determine measures and procedures for:
 - a) monitoring relevant corporate actions;
 - b) ensuring that the exercise of voting rights is in accordance with the investment objectives and any other restrictions of the relevant AIF;
 - c) preventing or managing any conflicts of interest arising from the exercise of voting rights
- a summary description of the strategies and details of the actions taken on the basis of the developed strategies shall be made available to any investor upon request.
- where the investment objectives of an AIF allow for the investment into eligible financial instruments to which voting rights are attached, the corresponding prospectus and/or any other documentation provided to an investor prior to an investment in the AIF shall contain adequate descriptions of the voting rights policy and strategy of the AIFM.

The AIFM will continue to monitor the applicable transposition of the Shareholder Rights Directive (as amended by Directive (EU) 2017/828) and will take appropriate steps to comply with the legal requirements imposed on it thereunder.

This Policy is applicable to employees or persons carrying exercise rights to vote for and on behalf of the AIFM (i.e. the Portfolio Management team of the AIFM, the appointed Outsourced Portfolio Manager (as defined below) and advisors).

1.3 Objectives

This Policy aims to define the minimum measures and procedures required by the AIFM, when it is responsible to develop a strategy for the exercise of voting rights, to ensure that the voting rights attached to instruments held by the AIFs are exercised if and when their exercise aims to maintain or improve the value of the instruments they are attached to.

1.4 Regulatory Requirements

This document has been established in accordance with regulatory requirements and relevant industry standards, such as:

Item	Regulation /Guidance
AIFMD/Level 1	AIFM Directive 2011/61/EU
AIFM-DR/Level 2	Commission Delegated Regulation (EU) No 231/2013 supplementing Directive 2011/61
SRD II	Shareholder Rights Directive as amended by Directive (EU) 2017/828
AIFM Law	The Luxembourg AIFM Law of July 12 th , 2013
2010 Law	The Law of 10 December 2010 relating to undertakings for collective investment
18/698	CSSF Circular 18/698

Specific requirements can be found in this Policy.

2 Strategies for exercise of voting rights

2.1 Introduction - General Principles

Where the AIFM acts as a portfolio manager for an AIF, the AIFM adopts and applies the following strategies for exercising the participation and voting rights pertaining to the financial instruments held by the AIFs in order to ensure that these rights are exercised for the sole purpose of promoting the interests of the investors in accordance with the investment objectives of the corresponding AIF.

Where the AIFM has delegated the portfolio management to a third party via a corresponding outsourcing agreement (the “**Outsourced Portfolio Manager**”), the AIFM shall ensure that any agreement pertaining to such delegation, to the extent legally possible, ensures that the exercise of voting rights by the Outsourced Portfolio Manager shall at least:

- (i) be for the sole benefit of the investors of the AIF;
- (ii) be in accordance with the investment objectives or any other restrictions as set out by the relevant prospectus of the AIF and
- (iii) adhere, where applicable, to the respective conflicts of interest policies as agreed by the AIFM with the third party.

The AIFM always retains the right to instruct the investment manager or advisor on how to vote.

This Policy shall be made available to the investors by the AIFM if it acts a portfolio manager for an AIF. The Outsourced Portfolio Manager shall make their shareholders’ voting rights documentation available to the investors of the AIF.

2.2 Monitoring corporate actions

The Portfolio Management Function shall, in the course of its transposition of the investment strategy of an AIF, remain informed on an ongoing basis about any current or potential corporate actions pertaining to any financial instruments held by the AIF to which voting rights are attached.

2.3 Exercise of voting rights

Whereas voting rights are usually attached to the equity instruments of an issuer (ex.: voting rights attached to common shares), such voting rights may also be attached to certain mezzanine and/or debt investments. Furthermore, voting rights and the method and consequence of their exercise are influenced by different factors (including but not limited to the jurisdiction of the issuer or relevant financial instrument, the legal or capital structure of the issuer or the financial instruments, etc.).

In consideration of the variety of circumstances governing the exercise of voting rights any individual situation, the below sets out to describe the method in which voting rights are to be executed by the AIFM in the most typical situations. Where voting rights attached to financial instruments shall be exercised by the AIFM in situations or on subject matters that are not described here, the voting rights may be exercised by the AIFM at its discretion provided that such exercise is:

- (i) for the sole benefit of the investors of the AIF;
- (ii) in accordance with the investment objectives or any other restrictions as set out by the relevant prospectus of the AIF; and
- (iii) free of any conflicts of interest or, where applicable, at the very least in accordance with the applicable conflicts of interest policy.

2.3.1 Distributions / allocation of income

Where shareholder consent (i.e. the exercise of voting rights) is required for the issuer to distribute profits to shareholders (i.e. the AIF as holder of the corresponding financial instruments), the voting rights strategy of the AIFM shall principally aim to maximize returns for shareholders in accordance with the investment objectives of the AIF. The AIFM shall take the issuers financial position (past and forecasted) into consideration when determining whether a proposed dividend pay-out ratio is adequate.

2.3.2 Auditor Ratification

The AIFM will generally vote in favour of proposals to ratify auditors, unless any of the following apply within the last year:

- An auditor has a financial interest in or association with the company, and is therefore not independent;
- There is reason to believe that the independent auditor has rendered an opinion that is neither accurate nor indicative of the company's financial position;
- Poor accounting practices are identified that rise to a serious level of concern, such as: fraud, misapplication of IFRS or GAAP, etc.; or

- Fees for non-audit services are excessive (generally over 50% or more of the audit fees).

2.3.3 Board of Directors

Where shareholder consent is required for additions or removals from the board of directors of an issuer, the voting rights strategy of the AIFM shall reflect its belief that the board of directors should promote the interests of shareholders by acting in an oversight and/or advisory role. Generally, at least half of the board of directors should consist of independent directors and each director individually, as well as the board of directors as a group should be held accountable for actions and results related to their responsibilities.

When evaluating board composition, the AIFM also believes that a diversity of ethnicity, gender and experience is an important consideration.

The analysis of the AIFM shall generally be based on, but not limited to, the following parameters:

- Company performance relative to its peers;
- Strategy of the incumbents versus the dissidents;
- Independence of board candidates;
- Experience and skills of board candidates;
- Governance profile of the company;
- Evidence of management entrenchment;
- Responsiveness to shareholders;
- Whether a takeover offer has been rebuffed;
- Whether minority or majority representation is being sought.

2.3.4 Executive Compensation

The AIFM believes that compensation practices should align management's interests with long-term shareholder value creation. Detailed disclosure of compensation criteria is preferred; proof that companies follow the criteria should be evident and retroactive performance target changes without proper disclosure is not viewed favourably.

The voting rights strategy of the AIFM shall reflect that compensation practices should allow a company to attract and retain proven talent. More importantly, the voting rights strategy of the AIFM shall aim to reduce poor pay practices. Some examples of poor pay practices include abnormally large bonus pay-outs without justifiable performance linkage or proper disclosure, egregious employment contracts, excessive severance and/or change in control provisions, repricing or replacing of underwater stock options/stock appreciation rights without prior shareholder approval, and excessive perquisites.

In line with its general principles, the voting rights strategy of the AIFM will be determined on a case-by-case basis when pertaining to equity compensation, Employee Stock Ownership Plans or other shareholder proposals on compensation.

2.3.5 Mergers and Corporate Restructurings

The voting rights strategy of the AIFM shall be defined on a case-by-case basis when pertaining to issues of mergers and corporate restructurings. In line with its general principles, the AIFM shall consider the following parameters based on publicly available information:

- Valuation;
- Market reaction;
- Strategic rationale;
- Management track record;
- Conflicts of interest;
- Governance profile of the combined/restructured company;
- Supervisory or other legal issues (ex. Anti-trust laws, etc.)

2.3.6 Debt issuance requests

The voting rights strategy of the AIFM on debt issuance requests shall be defined on a case-by-case basis and in line with its general principles.

2.3.7 Share repurchase plans

The voting rights strategy of the AIFM on share repurchase plans shall be defined on a case-by-case basis and in line with its general principles. Any strategy shall take into consideration, at least, the following parameters:

- The share repurchase program can be used as a takeover defence;
- There is clear evidence of historical abuse;
- There is no safeguard in the share repurchase program against selective buybacks;
- Pricing provisions and safeguards in the share repurchase program are deemed to be unreasonable in light of market practice

2.3.8 Related-Party Transactions

The voting rights strategy of the AIFM on related-party transactions shall be defined on a case-by-case basis and in line with its general principles. Any strategy will consider, at least, the following parameters:

- The parties on either side of the transaction;
- The nature of the asset to be transferred/service to be provided;
- The pricing of the transaction (and any associated professional valuation);
- The views of independent directors (where provided);
- The views of an independent financial adviser (where appointed);
- Whether any entities party to the transaction (including advisers) is conflicted; and
- The stated rationale for the transaction, including discussions of timing.

2.3.9 Capital Structure

Whether or not the issuance of company stock (common or preferred) is an appropriate capital policy should be determined cautiously. The voting rights strategy of the AIFM shall consider the issuer's management strategy, financial standing and market environment. Generally, the voting rights strategy of the AIFM on capital increases or other capital structure measures will seek to prevent a dilution of existing shareholders and any associated disadvantages.

2.3.10 Conflicts of Interest

The AIFM has defined conflicts of interest as broadly as possible, in consideration of its business strategy. In this context, the AIFM considers any occasion in which the interests of the AIFM, its affiliates or any related parties may be or appear to be at odds with or otherwise differ from the interests of the investors in an AIF, as a potentially relevant conflict of interest.

Such conflicts do not necessarily require the AIFM, its affiliates or any related parties having a direct or indirect financial interest in the financial instrument held by the AIF. Rather, conflicts of interest may also be present due to relationships that the AIFM, its board members, executive officers, and/or employees maintain with the issuers of financial instruments or their affiliates, the proponents of shareholder proposals, participants in proxy contests, corporate directors or candidates for directorships.

In situations where the Portfolio Management has either identified a conflict of interest or is unsure about or otherwise perceives a conflict of interest, the Compliance Function and Risk Management Function of the AIFM are to be informed without undue delay. The Compliance Function and Risk Management Function of the AIFM is charged with analysing any potential conflicts of interest in accordance with the Conflicts of Interest Policy of the AIFM. Following such analysis, the Compliance Function of the AIFM will determine the steps to manage the potential conflict of interest. Possible resolutions may include:

- Voting in accordance with the recommendations of a third-party research provider; or
- Refrain from exercising its voting rights; or
- Disclose the conflict to the client and obtain the client's direction to vote the proxies

3 Responsibilities and Processes

This section sets out the obligations, roles and responsibilities of all parties involved in the proxy voting process.

3.1 Portfolio Management Function

The Portfolio Management Function is responsible for the exercise of voting rights in the best interest of the investors, in consideration of the investment objectives and any other restrictions of the corresponding AIF. The Portfolio Management Function is externally in ongoing communications with the Depositary and internally in ongoing communications with the Risk Management and Compliance Functions of the AIFM.

Where the AIFM has delegated the activity of portfolio management to a third party, the Portfolio Management Function of the AIFM oversees the Outsourced Portfolio Manager with

regards to its obligations under this Policy and assists the AIFMs control functions with respect to its outsourcing controlling obligations.

Where the Portfolio Management Function has identified or perceives a potential conflict of interest, it shall inform the Risk Management and Compliance Functions of the AIFM immediately.

3.2 Risk Management Function

The Risk Management Function supports the Compliance Function analysis and assessment of perceived conflicts of interest. Furthermore, it manages and steers all risks resulting investments in instruments to which voting rights are attached.

3.3 Compliance Function

The Compliance Function regularly validates the compliance of this Policy with applicable laws and communicates any need for action to the Portfolio Management Function. Together with the Risk Management Function, the Compliance Function supports the Portfolio Management Function with the assessment of perceived conflicts of interest prior to the investment in instruments to which voting rights are attached or the exercise of such voting rights.

In cases where a conflict of interest has been identified, the Compliance Function determines the requisite steps by which the Portfolio Management Function may manage the conflict of interest.

Where the AIFM has delegated the activity of portfolio management to a third party, the Compliance Function performs regular outsourcing controlling.

4 Monitoring

The effectiveness of controls is assessed through the completion of regular control by the relevant team with operational responsibility for the exercise of voting rights activities.

The AIFM will also seek to monitor their delegates to ensure that this Policy or an equivalent policy, enabling the AIFM to comply with its regulatory requirements is adopted by them in accordance with the AIFM's Outsourcing and Third-Party Delegation Handbook.

5 Record Keeping

The AIFM must ensure that adequate records are maintained in relation to this manual and that those records are retained for five (5) years after they cease to be current.

6 Review, Maintenance and Amendment

The Policy may be updated from time to time. The Internal Audit regularly reviews the proper compliance of the individual teams/departments involved in with this Policy.

The Senior Management/Conducting Officers shall review this Policy and effective arrangements at least on an annual basis and consider on an ad hoc basis any findings and recommendations of the Internal Audit function or Compliance.

7 References

- Outsourcing and Third-Party Delegation Handbook
- Conflict of Interest Policy

8 Document - Authorisation | Approval

The Board of Directors of the AIFM is responsible for the establishment of and oversight over the proper business organization required to implement and execute this Policy in the best interest of the investors.

Name	Signature	Date