

**Voting Rights Policy**



Date:

18/10/2019

Written by:

Eric Nolen

**Voting Rights Policy**

Replace:

17/02/2016

<b>Policy</b>	Voting rights Policy	<b>Approved by</b>	The Board of directors of MC SQUARE	
<b>Policy application date</b>	18/10/2019	<b>Approval date</b>	18/10/2019	Version 3
<b>Next revision date</b>	2020 Q4	<b>Distribution</b>	Internal and external	

## Table of Contents

1. Introduction .....	3
1.1. Purpose .....	3
1.2. Regulatory Framework.....	3
2. Scope of exercise of voting rights .....	4
3. Voting Principle .....	4
4. Prevention of conflicts of interest .....	5
5. Information of unitholders .....	6

<b>Policy</b>	Voting rights Policy	<b>Approved by</b>	The Board of directors of MC SQUARE	
<b>Policy application date</b>	18/10/2019	<b>Approval date</b>	18/10/2019	Version 3
<b>Next revision date</b>	2020 Q4	<b>Distribution</b>	Internal and external	

## 1. Introduction

MC Square S.A. (“MC Square” or the “Company”) is a public limited company governed by the laws of the Grand-Duchy of Luxembourg, with a share capital of EUR 500,000. It is registered with the *Registre de Commerce et des Sociétés de Luxembourg* under number B28949, with its registered office at 94, rue du Kiem, L-1857 Luxembourg.

The Company is licensed by the CSSF as a Management Company under the regime set out in Chapter 15 of the Law of December 17<sup>th</sup>, 2010 on undertakings for collective investment. Accordingly, the Company is what is commonly known as a ‘UCITS management company’.

Since November 11<sup>th</sup>, 2016, the Company is also licensed by the CSSF as an Alternative Investment Fund Manager (“AIFM”) as per the provisions of the July 12<sup>th</sup>, 2013 Law on alternative investment fund managers.

### 1.1. Purpose

This policy sets out the legal and regulatory requirements, as well as the related actions which MC Square complies with in order to meet its obligations in the scope of the exercise of voting rights. It describes the principles and procedures in force for the exercise of voting rights. It replaces and supersedes any previous voting rights policies of the Company.

In accordance with CSSF Circular 18/698, and pursuant to Article 23 of CSSF Regulation 10-4 and Article 37 of Delegated Regulation (EU) 231/2013, MC Square must, among 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, to the exclusive benefit of the Fund concerned and its investors.

### 1.2. Regulatory Framework

This Policy is designed with a view to comply with the requirements set out in:

- The Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;
- The CSSF Regulation N°10-04 of December 20<sup>th</sup>, 2010, transposing Commission Directive 2010/43/EU of July 1<sup>st</sup>, 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council, as regards organizational requirements,

<b>Policy</b>	Voting rights Policy	<b>Approved by</b>	The Board of directors of MC SQUARE	
<b>Policy application date</b>	18/10/2019	<b>Approval date</b>	18/10/2019	Version 3
<b>Next revision date</b>	2020 Q4	<b>Distribution</b>	Internal and external	

conflicts of interest, conduct of business, risk management and content of the agreement between a Depositary and a Management Company.

- the CSSF Circular 18/698 of August 23<sup>rd</sup>, 2018 regarding authorisation and organisation of Luxembourg investment fund managers; and

## 2. Scope of exercise of voting rights

Given the nature of the portfolio (investments by geographic region) and the operational risk, the analysis of the exercise of voting rights highlighted the existence of a proper procedure in each country and the need to understand the specific regulatory and legal frameworks.

The exercise of voting rights is therefore an activity with high administrative costs and significant technical difficulties.

Given the above, MC Square has decided:

- To exercise exceptionally the voting rights;
- To authorize the portfolio managers (the “Portfolio Managers”) through a contractual delegation to exercise the voting rights at ordinary and extraordinary general meetings of companies in which the Portfolio Managers have invested on behalf of the funds they manage (the “Funds”).

Where MC Square intervenes exceptionally, it will make its best efforts to exercise the voting rights in accordance with the investment objectives and policy of the relevant Funds and in the best interest of the unitholders of the relevant Funds.

In cases of exceptional events beyond its control (e.g.: received after the deadline of voting papers,...), MC Square may be required not to exercise its voting rights.

## 3. Voting Principle

The voting principles relate to the securities held by each Fund/Sub-Fund that were selected by the Portfolio Managers.

There is an agreement between MC Square and the Portfolio Managers on the strategy pursued by the management of the target company.

Consequently, the rules adopted for the exercise of voting rights are:

- Decision requiring amendment of the bylaws;
- Approval of the accounts and on the allocation of the result following the assessment made by the external auditors and;
- The appointment and removal of the organs.

<b>Policy</b>	Voting rights Policy	<b>Approved by</b>	The Board of directors of MC SQUARE	
<b>Policy application date</b>	18/10/2019	<b>Approval date</b>	18/10/2019	Version 3
<b>Next revision date</b>	2020 Q4	<b>Distribution</b>	Internal and external	

Where MC Square exercises its voting rights, the analysis of the resolutions is performed based on the documents submitted by the target companies, the study of external service providers and any information available. MC Square may also rely if necessary on the skills of the Portfolio Managers.

Voting decisions are decided by the management of MC Square, which then proceeds to exercise voting rights by signing voting papers or proxies.

The voting papers or proxies are transmitted to the depositary which ensures the delivery.

A monitoring file is established for each General Meeting, including:

- The study of the resolutions,
- The documents provided by the target company,
- Analysis of the potential conflict of interest
- Nature of votes decided by the management of MC Square

For all other cases, managers freely exercise the voting rights, based on the sole interest of the unitholders: they can thus derogate from the general principles of voting and not follow all the recommendations made by the Boards of Directors.

#### **4. Prevention of conflicts of interest**

The voting rights policy is defined with all the independence required by the management committee of MC Square.

The Compliance Officer of MC Square establishes and maintains a list of companies with which a potential conflict of interest could arise from the existence of relations with MC Square. He transmits it to the Management Committee of MC Square responsible for the study of the resolutions.

For general meetings of the companies listed on the previous list, voting guidelines are developed in accordance with the voting rights policy. The Compliance Officer checks each voting orientation and sets the course of action:

- Acceptance of orientation to vote
- Motivated change of orientation to vote.

At the end of this detailed review, the Compliance Officer decides on the participation or not to vote at the general meeting. Any negative decision is justified and the document is annexed to the tracking file.

Any company which is not on the previous list but for which the Compliance Officer detects a potential conflict of interest is treated according to the same procedure as described above.

<b>Policy</b>	Voting rights Policy	<b>Approved by</b>	The Board of directors of MC SQUARE	
<b>Policy application date</b>	18/10/2019	<b>Approval date</b>	18/10/2019	Version 3
<b>Next revision date</b>	2020 Q4	<b>Distribution</b>	Internal and external	

## 5. Information of unitholders

Unitholders may obtain, upon request, information on the exercise of the voting on each resolution presented to the General Meeting of a company for which MC Square exercised its rights.