



# PROXY VOTING POLICY

Version: December 2021



### **Applicable Regulations (“the Regulations”)**

Luxembourg law of 17 December 2010 relating to Undertakings for Collective Investment (“UCITS Law”);

Luxembourg law of 12 July 2013 on Alternative Investment Managers (“AIFM Law”);

Commission Delegated Regulation No 231/2013 of 19 December 2012 (“Regulation”);

Directive 2014/91/EU of the European Parliament and of the Council Directive 2011/61/EU of the European Parliament and of the Council (“Directive”);

CSSF Circular 18/698 relative to the authorisation and organisation of investment fund managers incorporated under Luxembourg law (“CSSF Circular”).

### **Objective of the policy**

The present policy aims at implementing measures applicable in relation to voting rights attached to securities held by AIFs and UCITS (the “Funds”) managed by European Capital Partners (Luxembourg) S.A. (“ECP”) and at safeguarding the best interest of the Funds’ investors, in accordance with the Regulations. In accordance with the provisions set out by the present policy, ECP must develop adequate and effective strategies for determining when and how any voting rights held in the portfolios it manages are to be exercised, to the exclusive benefit of Funds and their investors. The strategy determines measures and procedures for:

- Monitoring relevant corporate actions;
- Ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant Funds;
- Preventing or managing any conflicts of interest arising from the exercise of voting rights.

The policy is approved by the Board of ECP and it applies to the entire range of Funds. The policy is effective as from the date of its approval.

Any fund that has not specifically mandated ECP to exercise the voting rights attached to the instruments held in its portfolio, must develop its own strategy for the exercise of voting rights.

### **Responsibilities**

ECP carries out any activities connected with the management of funds. It may, in its own name and on behalf of the Funds, enter into any contract, purchase, sell, exchange and deliver any securities, proceed to any registration and transfer in its name or in a third party’s name in the register of shares or debentures of any Luxembourg or foreign company including investment funds and other similar vehicle,



and exercise on behalf of the funds and its investors, all rights and privileges, especially all voting rights attached to the securities constituting the assets of the funds.

1. When Portfolio Management is performed internally:

**With respect to UCITS:** for which ECP acts as portfolio manager, the voting right strategies to be developed will not only depend on the nature of the underlying investments but also on objective criteria relating to the effectiveness and relevance of the potential exercise of voting rights attached to such investments.

For the UCITS' portfolios where ECP has decided to exercise the voting rights, ECP applies a uniform process and uses the Proxy Voting Guidelines of ISS<sup>1</sup>.

ECP's proxy voting process is as follows:

1.1.1 ECP receives voting recommendations from ISS. These recommendations are assessed and validated.

1.1.2 Two exceptions may occur:

- (a) Where a settlement risk in the fund's and/or client's portfolio may be caused by participation in voting (e.g. by the fact that shares for which a voting has been performed are blocked for sale), ECP does in general not vote for all shares;
- (b) Where due to exceptional circumstances ECP deems an own voting on single or multiple agenda points as more beneficial for the Funds and/or clients than the ISS voting recommendations, ECP may deviate from the ISS recommendations. This deviation will then be documented and submitted to the Compliance Officer.

Detailed information on ISS Proxy Voting Guidelines are available on <https://www.issgovernance.com/policy-gateway/2016-policy-information/>.

ISS provides ECP with the updated Voting Proxy Register on a yearly basis as well as access to its systems on a permanent basis for ECP to monitor the proper exercise of voting rights. ECP keeps records of the Proxy Voting Register in its systems.

**With respect to AIFs:** for which ECP acts as investment manager, given the heterogenic nature of the corporate governance arrangements at AIF level and/or the underlying investments, ECP develops appropriate voting right strategies on a case-by-case basis.

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<sup>1</sup> <https://www.issgovernance.com/>



2. When Portfolio Management is delegated to third parties:

When delegating the Portfolio Management function on behalf of a given fund, ECP mandates systematically the appointed Portfolio Manager of the fund to implement the appropriate measures and procedures to develop and exercise the appropriate voting rights strategies.

ECP retains the right to instruct the Portfolio Manager on how to exercise voting rights.

**Conflicts of Interest**

ECP or, as the case may be, the delegated Portfolio Manager, shall ensure that no conflicts of interest arise when exercising the voting rights attached to instruments held across different portfolios under control of ECP and/ or the Portfolio Manager.

**Policy review**

The Policy is reviewed on an annual basis and it will be updated whenever needed with the support of ECP's control functions to take into account evolutions in the applicable laws and regulations, in ECP's policies or organisation.

The decision to have recourse to a third-party provider (such as ISS) will be reviewed on an annual basis by the Compliance Officer.

Any update made to the policy will be subject to the approval of ECP's Board of Directors.