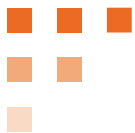




Engagement and Voting Rights Policy

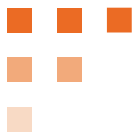
Part 22 of LIS Organizational Manual

V2Jan2020



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1. Purpose

This Engagement & Voting Rights Policy (the “**Policy**”) outlines the general principles for how engagement activities are integrated in the investment strategy for funds where Sanne LIS S.A. (“**LIS**”) acts as UCITS management company (“**UCITS Management Company**”) or alternative investment fund manager (“**AIFM**”).

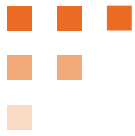
This Policy embeds engagement and voting rights and obligations as imposed and in accordance with applicable rules, notably:

- Luxembourg law of 17 December 2010 transposing Directive 2009/65/EC on undertakings for collective investment in transferable securities (UCITS) (“**UCITS Directive**”);
- CSSF Regulation 10-04 transposing in Luxembourg Directive 2010/43/EU as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company (“**CSSF Regulation 10-04**”);
- Luxembourg law of 12 July 2013 implementing Directive 2011/61/EU on alternative investment fund managers (“**AIFMD**”);
- Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (“**AIFMR**”);
- Luxembourg law of 10 July 2019 transposing Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement (“**SRD II**”);
- CSSF Circular 18/698 on the authorisation and organisation of investment fund managers incorporated under Luxembourg law (“**CSSF Circular 18/698**”).

Effective and sustainable shareholder engagement is one of the cornerstones of the good corporate governance model. LIS believes that engaging with target issuers and portfolio companies, including on environmental, social and governance (ESG) topics, is often a key factor for properly identifying investment opportunities, managing investment risks, monitoring assets in portfolio, ensuring long-term sustainability and more generally fostering trust in the financial market. Furthermore, integrating and disclosing non-financial considerations can improve the matching between investment products and investors’ preferences and characteristics. Moreover, reputational benefits from increased disclosure and integration of ESG topics in funds’ processes might attract new investors. ESG measures contribute to the capital shift towards sustainable investments that is expected by and would benefit to the society as a whole.

2. Scope

Without prejudice to section 4(iii) below regarding voting rights, this Policy shall apply to all funds where LIS acts as UCITS Management Company or AIFM and which hold or invest in shares or interests of other entities, unless the management body of such fund, or the delegated portfolio manager appointed by LIS for this fund (if any, the “**Portfolio Manager**”), or the investment advisor appointed by LIS for this fund (if any, the “**Investment Adviser**”) has provided LIS with a fund specific engagement policy. In such case, provided that such policy is approved by LIS, such policy shall be published on LIS website and shall prevail over this Policy until it is terminated.



3. Pre-investment

In the pre-investment stage, LIS, the Portfolio Manager and/or the Investment Adviser will typically conduct thorough due diligence work to identify and evaluate investment opportunities and associated risks, especially for illiquid assets. Pre-acquisition due diligence work usually includes engaging directly with the management of the target company and appointing experts (including potentially on environmental topics). Depending on the type of transaction, due diligence work may be lighter or sounder and may include ESG topics.

4. Post-investment

(i) Monitoring

Following the investment where there were certain material risks identified during due diligence process, including potentially on ESG topics, LIS, the Portfolio Manager and/or the Investment Adviser will typically monitor progress of such investment and mitigation of those risks. Monitoring activities may include engagement with the management for the actions to be taken during the 100 days post-acquisition, or supporting the establishment of remedial measures.

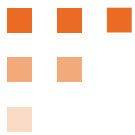
(ii) Dialogues

LIS acknowledges the importance of constructive dialogue with management teams in order to promote good corporate governance practices, determine long-term alignment of interests, properly assess the strategy of the management team (including on ESG topics as the case may be), as well as to improve disclosure mechanisms. For that purpose, LIS may focus on speaking at annual general meetings, liaising with the management teams directly or relying on management's reporting.

(iii) Voting

Voting as shareholder with respect to portfolio companies is one aspect of an engagement policy. In accordance with section 5.5.10 of CSSF Circular 18/698, article 23 of CSSF Regulation 10-04 and article 37 of AIFMR, LIS has developed an adequate and effective strategy for determining when and how voting rights attached to instruments held in managed portfolios are to be exercised, so that these rights benefit exclusively the fund concerned and its investors. This strategy is set out below:

- As set out in section 5.5.10 of CSSF Circular 18/698, each fund, which has not expressly authorised LIS to exercise voting rights attached to instruments held in its portfolio, shall develop its own strategy for exercising voting rights.
- In principle, the UCITS Management Company agreements and the AIFM agreements to which LIS is a party do not expressly authorise LIS to exercise voting rights attached to instruments held in portfolio. As a consequence, for these funds, it is the responsibility of the board of directors or general partners of these funds



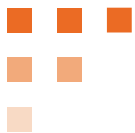
to determine when and how voting rights shall be exercised, in the best interests of investors.

- If a fund is set up in the form of a common fund, or when the management body of fund having the form of a corporate or partnership, has specifically vested LIS with the right to exercise voting rights relating to instruments held in its portfolio, then LIS shall endeavour to apply the following principles (unless otherwise disclosed in a separate fund-specific voting rights policy):
 - o LIS (or its delegates) monitors all relevant corporate actions in relation to the fund's voting rights and ensures that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant fund. Furthermore, will apply the following general principles when practicing voting rights:
 - o Capital Measures: LIS in general only approves changes in the investments' capital structure, if they are not detrimental to the funds' shareholders.
 - o Governing Bodies: In the following cases, LIS typically considers to vote for a change in the governing bodies: weak or sharp decline of performance, significant doubts about the competences of the governing bodies, legal compliance failure or other severe misconduct.
 - o Mergers and Acquisitions: LIS will look at mergers and acquisitions on a case-by-case basis. LIS would only vote for a merger or a takeover if LIS (or its delegates) considers the process to be in line with the interests of the investors.
 - o Reporting: If it considers the financial statements to be materially in breach of standard accounting rules, LIS would normally vote against the acceptance of the annual financial statements.
 - o Conflicts of Interest: LIS will prevent or manage any conflicts of interest arising from the exercise of voting rights according to its Conflict of Interest Policy.
 - o Process: When exercised directly by LIS, voting rights decisions are taken by the Investment Management team.

(iv) Cooperation with other shareholders

Greater involvement of shareholders in corporate governance is one of the levers that can help improve the financial and non-financial performance of funds, including as regards ESG topics.

Where appropriate, and always keeping in mind the best interest of investors, LIS may cooperate with other shareholders of a relevant fund in order to, inter alia, enhance good corporate governance practices including emphasising the relevance of implementation of ESG topics, as well as to strengthen risk management performance or to promote disclosure standards. Cooperation with other shareholders will take



place if it is in best interest of investors, and only when such cooperation does not result in violation of any applicable laws or LIS's internal policies in place.

Cooperation would, in principle, be conducted via formal or informal meetings with other shareholders.

(v) Communication with other relevant stakeholders

LIS believes that, to the extent permitted by law and if relevant in a given context, engaging with other stakeholders involved in the fund's activity usually benefits all shareholders' long-term interests. Taking this into account, LIS, the Portfolio Manager and/or the Investment Adviser may communicate with other stakeholders, such as employees, NGOs, public authorities and institutions.

Communication with other relevant stakeholders will take place if it is in best interest of investors, and only when such cooperation does not result in violation of any applicable laws or LIS's internal policies in place.

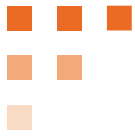
5. Transparency / Reporting

In accordance with SRD II rules, LIS shall, on an annual basis, publicly disclose how the engagement policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and the use of the services of proxy advisors. It shall publicly disclose how it has cast votes in the general meetings of companies in which it holds shares. Such disclosure may exclude votes that are insignificant due to the subject matter of the vote or the size of the holding in the company. This obligation shall not apply with respect to funds for which LIS publicly discloses a clear and reasoned explanation why it has chosen not to comply with one or more of those requirements.

In order to comply with the above obligations, LIS will review the disclosures prepared by the Portfolio Manager or Investment Adviser (as applicable) for the relevant fund and, unless LIS materially disagrees with its content, LIS will publish them on its website as required by SRD II rules.

This Policy is reviewed and updated at least on annual basis or regularly whenever required due to changes of general principals set out in this Policy or in case of regulatory changes.

This Policy as well as the report on implementation of this Policy will be published on LIS's official website.



Key Contacts

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Version Control

Name/Title	Version	Changes
Engagement and Voting Rights Policy	V1Jan20	
Engagement and Voting Rights Policy	V2Jan20	