

MAINFIRST



# POLICIES AND STRATEGIES FOR THE EXERCISE OF VOTING RIGHTS

MAINFIRST AFFILIATED  
FUND MANAGERS S.A.

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Version 12.0

## **Policies and strategies for the exercise of voting rights**

Description of principles, strategies and procedures to ensure that the employees<sup>1</sup> and officers of Mainfirst Affiliated Fund Managers S.A. (hereinafter the “Company”) are always and fully in compliance with statutory, supervisory, professional and ethical regulations in all business areas.

The policy is designed for the implementation of the relevant laws, regulations and supervisory publications (e.g. the Law of 2013, Regulation 10-4, Delegated Regulation 231/2013 or CSSF Circular 18/698).

Every employee is encouraged and obliged to observe the policy fully as part of the Company’s business operations.

The Company undertakes, as a competent partner for the design and administration of fund structures, as well as for individual portfolio management in accordance with the Law of 2013, to exercise special care with respect to investors in the exercise of voting rights.

Voting rights are represented by means of a written proxy and instructions on the exercise of any voting rights.

The Company or an authorised representative will then vote on behalf of and in compliance with the following strategic guidelines of the Company. The Company will decide in each individual case, taking into account the costs, if and how voting rights are to be exercised in the sole interest of the investors.

Shareholders’ voting rights are to be exercised in a fiduciary capacity according to the following principles, which are to be interpreted as guidelines.

1. The basis for any decision on the exercise of voting rights is exclusively the investor interest of the UCITS/UCI.
2. Any decision on the exercise of voting rights is made independently of the interests of other third parties.
3. The integrity of markets must be observed and maintained as an equivalent criterion when deciding on the exercise of voting rights.
4. Voting rights are exercised in strict compliance with legal and regulatory rules and standards, in particular Regulation 10-4, Delegated Regulation 231/2013, CSSF Circular 18/698, as well as compliance with internal corporate governance rules. Pursuant to Article 23 of Regulation 10-4 and Article 37 of Delegated Regulation 231/2013, the Company has, inter alia, developed an appropriate and effective strategy with regard to when and how the voting rights attached to the instruments in

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<sup>1</sup> (\*male and female)

the managed portfolios are to be exercised so as to be solely for the benefit of the relevant UCI and its investors.

5. Voting rights must be exercised with full respect for internal, transparent ESG standards, encompassing the following specific factors:
  - Solid corporate governance is an essential factor for increasing the value of any company.
    - The Company understands the need for major shareholders to actively participate in the development of a company.
  - The Company plays an active role in fostering progress within companies towards profitable and sustainable value creation.
    - The Company is a major stakeholder in many companies. Its representatives therefore attend annual general meetings and other meetings and seek regular dialogue with company representatives as part of its commitment.
  - The Company observes a wide range of financial and non-financial performance indicators, including many ESG-related issues, which have to be tracked and monitored on a regular basis.
    - These include, in particular: general principles for good corporate governance (accountability and competence of the Board of Directors and Supervisory Board, share ownership, independence, conflicts of interest, diversity, appointment procedures, remuneration and incentive programmes, audits, transparency of decision-making).
    - Capital structure: disclosure, capital allocation policy, approval of corporate actions and public offerings, equal treatment of shareholders.
  - ESG factors have an impact on a company's value and reputation and on the ability to achieve long-term returns.
    - The Company therefore wants our companies to be aware of relevant social and environmental risk factors, including them in their medium- to long-term strategies.
    - The Company supports proposals to the General Meeting aiming to improve environmental footprint and reduce ESG risks.
    - The Company's voting rights are to be used to promote ESG risk avoidance and improve corporate transparency (e.g. on climate change, water consumption, diversity, human rights abuses and corporate governance, business ethics, code of conduct, environmental and social practices).
    - The Company can vote against the re-election or discharge of the Board of Directors or Supervisory Board, e.g. as a result of inadequate avoidance of ESG risks.

These principles are reviewed periodically at least once a year and adjusted according to need and where necessary. The principles governing the exercise of voting rights in their current version are published on the website ([www.mainfirst.com](http://www.mainfirst.com)).