

**SHAREHOLDERS ENGAGEMENT POLICY
NOVEMBER 2020**

NATAM MANAGEMENT COMPANY S.A. (hereinafter “the MANCO”) is a public limited liability company (Société Anonyme) organized under the laws of the Grand Duchy of Luxembourg and under the on-going supervision of the Luxembourg regulatory for the financial sector, the *Commission de Surveillance du Secteur Financier* (the “CSSF”). The MANCO is authorized as an alternative investment fund manager (“AIFM”) subject to the law of 12 July 2013 on alternative investment fund managers (the “AIFM Law”) and Chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended.

1. CONTEXT

The exercise of voting rights and shareholders engagement policy (the Policy”) applies to the MANCO and to the appointed delegated investment managers and investment advisors, as applicable, or, as the case may be, duly empowered legal representatives, or service providers (including proxy advisors), in the context of managing undertakings for collective investment in transferable securities (“UCITS”) and alternative investment funds (“AIFs”) located either in Luxembourg (jointly hereafter referred to as collective investment vehicles or “CIV”). The policy defines the minimum measures and procedures required by the MANCO, 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 CIV are exercised if and when their exercise aims to maintain or improve the value of the instruments they are attached to.

The Policy is subject to the requirements contained in article 23 of CSSF Regulation 10-4 and article 37 of the Commission Delegated Regulation (EU) 231/2013 of 19 December 2012, as further detailed in section 5.5.10 of CSSF Circular 18/698 relating to the authorization and organization of Luxembourg investment fund managers. In addition, this Policy shall take into consideration relevant provisions of the Luxembourg law of 1st August 2019 relating to the exercise of certain shareholder rights at general meetings of listed companies and transposing the requirements of the Shareholders’ Rights Directive 2017/828 (SRD II) and amending the Luxembourg Law of 24 May 2011 on the exercise of certain shareholder rights (the “SRD Law”).

For the avoidance of doubt, the Policy is primarily applicable in relation to investments in corporations having their registered office in the European Union (the “EU”) and whose shares are admitted to trading in a regulated market located or operating in the EU.

This Policy does not apply to investments made through alternative or quantitative strategies, as the performance of such strategies is not driven by the medium to long-term performance of the relevant investee companies.

The request to have an engagement policy applies on a “Comply or Explain Principle” basis. This means that the MANCO may choose not to disclose the engagement policy or its implementation if it gives an explanation why this is the case. In this context and, with a view of reducing its possible administrative burden, the MANCO has established two thresholds, and only a simultaneous exceeding of both will activate the policy.

The first threshold refers to the capitalization of the equity: the limit is set at 0,5% of the capitalization held at sub fund level.

The second threshold is related to the weight of the equity in the sub fund portfolio: the limit is set at 7%.

2. PURPOSE

Shareholder engagement is generally understood as the active monitoring of companies by shareholders including conducting dialogue with investee companies, exercising voting rights, cooperating with other shareholders, and communicating with other stakeholders, as applicable.

The MANCO shall publicly disclose, on an annual basis, how its policy has been implemented, including a general description of voting behavior, votes casted, and an explanation of the most significant votes and the use of proxy advisors. To distinguish between most significant votes (being subject to disclosure) and insignificant votes (not being subject to disclosure) qualitative criteria (e.g., due to the subject matter of the vote) or quantitative criteria (e.g., due to the size of the holding in the listed target company) may be applied.

3. MANCO'S ENGAGEMENT

3.1 Delegation of the portfolio management functions

The MANCO delegates the portfolio management functions, on behalf of its managed CIVs, to third party portfolio managers and agrees with them to implement measures and procedures from a shareholder engagement and exercise of voting rights standpoints.

The MANCO must verify whether its delegate has an SRD II Law compliant engagement policy in place, and publicly discloses its engagement policy. In this case, the MANCO will not be required to publish itself its delegate's engagement policy and shall leverage on the implementation disclosure of the delegated portfolio manager.

In case the delegated portfolio manager's engagement policy does not fulfil the requirements of the SRD II Law, based on the "comply or explain" principle, the MANCO has two options:

- impose its Engagement Policy to the portfolio manager.
- may, in its own Engagement Policy published on its website, provide for an explanation on the reason as to why no specific engagement policy is publicly available for this portfolio manager.

3.2 Exercise of voting rights

The MANCO has developed an adequate and effective strategy for determining when and how any voting rights linked to the securities held in the managed CIV's portfolios have to be exercised, to the exclusive benefit of the managed CIVs and their investors.

Being in the best position to exercise any right pertaining to the securities, the portfolio managers have been conferred by the MANCO to exercise the voting right on a discretionally basis, provided that the MANCO may at any time decides how such rights should be exercised, by sending to the portfolio manager a written notification.

*The MANCO's policy to exercise **voting rights** is available on its website.*

3.3 Monitoring of investee companies on relevant matters

Pre-investment phase research and due diligence performed by portfolio managers allow to identify and assess the growth potential and key risks associated with a given target company, with possibility to engage directly with the management of such target company and, as the case may be, appoint experts to discuss particular aspects, such as strategy, financial and non-financial performance and risk, capital structure, social and environmental impact, and corporate governance.

3.4 Dialogues with investee companies

Dialogues with investee companies may influence to improve corporate governance practices and ensure long-term value creation. The dialogue with the investee companies is generally conducted by the portfolio manager. Dialogue can also be held by participating in annual general meetings and other shareholder events.

3.5 Cooperation with other shareholders

To influence investee companies and promote better corporate governance, risk management and performance, the portfolio manager may cooperate with other shareholders. This may include, but is not limited to, presenting list of candidates for appointment to corporate bodies, adding items on the agenda of a shareholders' meeting and calling shareholders' meetings and other initiatives that require a certain percentage of the share capital.

3.6 Communication with relevant stakeholders

From time to time, the portfolio manager may communicate with relevant stakeholders to obtain further information and views that may serve as an input in shareholder's ongoing engagement with investee companies. The portfolio manager selects the approach deemed to be in the best interest of the shareholder and when not in violation of any laws or internal policies. Stakeholders include interest groups, public authorities, and institutions.

3.7 Management of conflicts of interest

Potential or actual conflict of interests may arise as part of shareholder engagement activities. Consequently, the portfolio manager has policies in place for the purpose of taking all reasonable steps to prevent conflict of interests. Where such conflicts cannot be avoided, the portfolio manager will identify, manage, and monitor the conflicts and, where appropriate, disclose it.

The MANCO's policy to manage conflicts of interest is available on its website. Also refer to Appendix A.

4. TRANSPARENCY

4.1 Annual disclosure of the implementation of the engagement policy

The annual disclosure of the implementation of the engagement policy includes:

- A description of the voting behavior.
- An explanation of the most significant votes.
- The use of the services of proxy advisors.
- A description on how votes have been expressed in the general meetings.

4.2 Additional disclosures to institutional investors

On an annual basis, it is also required to disclosure to institutional investors (as defined in Art. 1(6) of the SRD Law) how the investment strategy and implementation thereof complies with applicable arrangements entered with these institutional Investors.

5. REVIEW

This Engagement Policy is reviewed and approved annually, or more frequently if needed, and is publicly available on the MANCO website.

APPENDIX A - CONFLICTS OF INTEREST

As part of making a voting decision, the MANCO will identify any potential conflicts of interest in relation to the proxy voting. The MANCO has policies in place for the purpose of taking all reasonable steps to prevent and manage conflicts of interest.

Examples of when potential conflict of interests in relation to proxy voting can arise, are set out below.

POTENTIAL CONFLICTS	MITIGATION
The MANCO has a business relation with the investee company being voted on which objectively may affect the voting.	A specific request for confirmation regarding the decision which will be taken is sent to the involved UCI managed's BoD.
Another entity within the Banca Finnat Euramerica (BFE) Group has a business relation with the investee company being voted on which objectively may affect the voting.	This conflict of interest is managed by the fact that the MANCO is legally separated from the BFE Group. In addition, this conflict is further managed by the fact that the MANCO is utilising the UCI managed's own voting principles. In addition, this conflict is further managed by the fact that the MANCO is utilising either the UCI managed's own voting principles or voting principles in a manner that considers the clients' best interests.
The MANCO's employees having an interest in the investee company being voted on, due to being affiliated with the investee company, e.g., as a board member of the investee company and such employee may seek to influence the voting.	To ensure that the MANCO does not alter a position on a vote due to a MANCO's employee having an interest in the investee company being voted on, NATAM's internal rules require all employees to declare and disclose their outside business interests. In cases where there is an actual conflict, the MANCO's BoD may determine that it is inappropriate for such employees to direct the voting at meetings of certain companies in which the MANCO managed UCI invests. In addition, this conflict is further managed by the fact that the MANCO is utilising either the UCI managed's own voting principles or voting principles in a manner that considers the clients' best interests.
Delegated portfolio managers may have a different view on how the voting shall be done in relation to the same investee company.	This conflict of interest is managed by treating all clients equally in the MANCO's voting activities. As agreed with the relevant UCI managed, unless the UCI managed instructs otherwise, the MANCO is utilising either the client's own voting principles or voting principles to all client portfolios in a manner that considers the clients' best interests.