

# VOTING RIGHTS POLICY

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<b>Owner/author</b>	PM Team
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# OVERVIEW

This document presents the Company's principles in relation to the management of the voting held through the funds under management as well as the actions to be undertaken in case of major holdings of one European private company.

## Policy changes

Date	Responsible	Change
December 2023	PMTeam	Annual review
August 2022	ECO	New format Clarification on the use of the voting rights
August 2021	ECO	Review of the procedure to include the condition of exercising the voting rights
November 2019	V 4.0	
May 2019	V 3.0	
December 2016	V 2.0	
September 2014	V 1.0	

## 1. Purpose

Gen II Management Company (Luxembourg) SARL (the “**Company**”) is company governed by the laws of the Grand-Duchy of Luxembourg.

For the conduct of its business activities, the Company is licensed by the Commission de Surveillance du Secteur Financier (the “**CSSF**”) as a Management Company whose business activities are governed by the provisions of Chapter 15 of the law of 17 December 2010 on undertakings for collective investment (the “**UCI Law**”).

The Company is also licensed by the CSSF as an Alternative Investment Fund Manager as per the provisions of the 12 July 2013 on alternative investment fund managers (the “**AIFM Law**”).

The Company acts as Management Company and Alternative Investment Fund Manager in respect of undertakings for collective investment in transferable securities or alternative investment funds (the “**Funds**”).

The business model implemented by the Company, both in its capacity as a Chapter 15 management company and as an AIFM is such that it may delegates all or some portfolio management activities to third parties, while focusing on risk management activities as well as on its oversight function.

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

- i) the CSSF Regulation N° 10-4 of 20 December 2010, related inter alia to the organizational requirements, (the “**Regulation Nr 10-4**”);

- iii) the CSSF Circular 18/698 of 23 August 2018, regarding authorization and organization of Luxembourg Management Companies (the “**Circular 18/698**”);

- iv) the European Commission Delegated Regulation (EU) Nr 231/2013 of 19 December 2012, supplementing Directive 2011/61/EU of the European Parliament and of the Council (the “**Delegated Regulation**”).

- iv) The Shareholder Rights Directive 2017/828 (the “**SRD II**”)

## 2. Application and Scope

This policy is applicable to Luxembourg ManCo.

## 3. Exercising the Voting Rights: Fundamental Principles

Both Regulation N° 10-04 and the Delegated Regulation require that the strategy for the exercise of voting rights shall determine measures and procedures for:

- a) monitoring relevant corporate actions;
- b) ensuring that the exercise of voting rights is in accordance with the investment objectives and Policy of the relevant Funds;
- c) preventing or managing any conflicts of interest arising from the exercise of voting rights.

The SRD II requires asset managers and institutional investors to illustrate how they engage with investee companies and disclose their approach on an annual basis with a view to explain how shareholder engagement is included in the chosen investment strategy and implemented through e.g. the exercised voting behaviour (including, as the case may be, an assessment of the effectiveness of the relevant remuneration policies of the investee companies which may lead to an adaptation of the voting behaviour).

### 3.1. Delegated PM function

As AIFM, the Company may delegate the management of the Funds' portfolios and of the associated voting rights to Investment Managers or Portfolio Manager ("Managers"), each Manager having the full discretion to exercise voting rights based on their own policy.

In such circumstances, the Company shall ensure that such Managers develop adequate and effective strategies 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 Funds managed and their investors.

In particular, the Company will ensure that the Manager has implemented the following measures and procedures:

- monitoring of the corporate actions linked to the instruments held;
- ensuring that the exercise of the voting rights is done in accordance with the investment objectives and policy of the Fund
- preventing and managing any potential (or actual) conflict of interest arising from the shareholder engagements or voting rights exercise.

These procedures and policies will be reviewed by the Company during the initial due diligence at on-boarding stage of the Manager and will be in scope of the periodic due diligence.

### 3.2. In house PM function

In case the PM function is kept in-house, the management of the exercise of the voting rights will be agreed with the IA and with the governing body of the Fund, i.e. the GP and included in the Fund's Operating Memorandum.

The Company could appoint one of the parties mentioned above to effectively manage the voting rights taking into consideration that any votes that may substantially impact the Fund's investors and/or the operation of the investee companies such as general restructuring or/and merger & acquisitions would require the previous approval of the Company via its AIFMIC.

For the votes not requiring a previous approval, the Company shall ensure that the related party develops adequate and effective strategies for determining when and how voting rights attached to instruments held in the portfolios are to be exercised to the benefit of the Funds managed and their investors. The Company shall also ensure that any actual or potential conflict of interest shall be prevented or appropriately managed if arisen from the shareholder engagement or the voting rights exercise.

Finally, the Company shall ensure that the votes are always performed in a manner which is in line with a particular Fund's investment strategy, policy and objectives and in the exclusive interest of its investors.

## 4. Voting Right Ownership And Major Holding Position

In accordance with Articles 25, 26 and 28 of the AIFM Law related to the Voting right ownership, the Company following rules must be applied:

- a) When a Fund acquires, disposes of or holds shares of a non-listed company, a notification shall be made by the Company (therefore the Portfolio Manager shall provide the relevant information to the Company) to the CSSF any time the proportion of voting rights of the non-listed company held exceeds or falls below the thresholds of 10%, 20%, 30%, 50% and 75%.
- b) When a Fund on the basis of an agreement acquires individually or jointly, control (i.e. 50% calculated in compliance with Art. 24 (5) of the AIFM Law) over a non-listed company, within 10 days from acquisition of control, a notification shall be made by the Company (therefore the Portfolio Manager shall provide the relevant information to the Company) to the non-listed company, its shareholders (if their identities are made available to the Company) and the CSSF. Such a notification shall include (i) the resulting situation in terms of voting rights, (ii) the conditions of the acquisition of control (including shareholders involvement and chain of acquisition), and (iii) the date of acquisition of control.
- c) In the case under b. above, the following information shall be made available to the (i) acquired company, (ii) its shareholders (if their identities are made available to the Company) and the (iii) CSSF:
  - i. The Company name (and in case of joint acquisition the name of the other AIFM),
  - ii. The conflict of interest policy ensuring the management of conflicts of interest between the company, the AIFM and the AIF and in particular that any agreement among them is made at arm's length,
  - iii. The policy for internal and external communication, in particular with employees. The AIFM shall make its best effort to either request the board of the acquired company to, or inform the employees' representative or the employees, as applicable, of the items under i., ii. and iii,
  - iv. In addition, the Company has to ensure that the Fund (or the Company on behalf of the Fund) informs the acquired company and its shareholders (if their identities are made available to the Company) and its employees (through the board of director of the acquired company, which informs the employees representative or directly the employees, as applicable) of the Fund intentions as for the acquired company future business and the likely repercussion on employment or any material change on its conditions,
  - v. Finally, the Company has to inform the CSSF of the financing of the acquisition.
- d) During 24 months from the above referred acquisition of control, the Company (and therefore the Portfolio Manager) shall not facilitate, support or instruct any distribution, capital reduction, share redemption and/or acquisition of own shares by the acquired company as detailed in Article 28 (2) of the AIFM Law

As principle, and as stipulated in the mentioned articles, Gen II is monitoring the reporting obligation on a transaction basis, at the time each transaction is approved by the AIFM. In case the PM function is delegated, the Investment Manager/Portfolio Manager will notify the Company of any reporting obligation within 48h two (2) business days after the deal is concluded.

## 5. Ongoing monitoring and review

The exercise of the voting right will be monitored on a regular basis. Typically, a request for information will be sent on a quarterly basis (for AIF) or on a monthly basis (for UCITS funds) to receive the list of the votes, rationales of the most significant votes and the details of the votes where proxy advisors were used.

In addition, for Investment Manager / Portfolio Manager, on a yearly basis, a verification of the annual disclosure will be performed.

The proxy voting process will be periodically reviewed by the Conducting Officers and the Compliance Officer in order to ascertain that voting rights are exercised in the best interests of the Company's clients, i.e. the Funds, and the latter's investors, and that the Investment/Portfolio Managers' voting processes remain well-structured, efficient and exercised in the best interests of the underlying investors.

## 6. Consequences

Failure to comply with this Policy, the Group's Code of Conduct and Ethics or other related policies, procedures, laws, and regulations applicable to your role, will be viewed as a serious breach of your employment and may result in disciplinary action, up to and including termination of employment.

## 7. Derogations

Any requests for derogation from this policy must be submitted to the Group Policy and Procedures Committee ([policy@gen2fund.com](mailto:policy@gen2fund.com)).

## Related Policies and Procedures

Portfolio Management Policy	This policy aims to clarify part of the responsibilities of the Portfolio Management department and complete the mentioned procedure
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## Definitions

AIF	Alternative investment fund
Company	Gen II Management Company (Luxembourg) SARL
Employee	includes all permanent and temporary employees, as well as secondees, external consultants, contractors and agency personnel whilst they are working with the Group
GP	General Partner
Group	Gen II and all legal entities which are direct or indirect subsidiaries of Gen II Corporate Holdings Limited
IA	Investment Advisor
IC	Investment Committee
Luxembourg Manco	Gen II Management Company (Luxembourg) SARL – similar to “Company”
PM	Portfolio Management
P&PCo	Group Policy and Procedures Committee
UCITS	Undertakings for the Collective Investment in Transferable Securities



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