

EXERCISE OF VOTING RIGHTS

INTRODUCTION

December 2018

The procedure refers to

- the law of 17 December 2010 (UCITS Law)
- the law of 13 February 2007 (SIF Law), as amended from time to time
- the CSSF Regulation No. 10-04
- the CSSF Regulation N° 15-07
- the Delegated Regulation No. 231/2013 of 19 December 2012, supplementing Directive 2011/61/EU
- the CSSF Circular 18/698

Objective:

The objective of the policy is to outline the operational flows that are implemented with the objective to monitor relevant events relating to the life of companies in which the funds under management of Novacap Asset Management S.A. (the Company) are invested as well as to set out the present strategy of the Company for the exercise of voting rights in order to:

- ensure that voting rights are exercised in accordance with the objectives and investment policy of the funds, and
- prevent or manage conflicts of interest resulting from the exercise of voting rights.

Actors:

Fund Asset Managers, Management, Board of Directors, Operations Officer

Scope:

All UCIs under management of the Company, which have authorized the Company to exercise voting rights attached to instruments held in their portfolios

Outlined processes

1. Information Flow
2. Strategy for exercising voting rights
3. Shareholder Information
4. Delegation
5. Conflict of Interest

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1. INFORMATION FLOW

Origin of the information	The custodian receives the invitation to the Shareholders Meeting	The Asset Manager is aware of a Shareholders Meeting <i>and</i> The custodian did not receive an invitation
Action	1. The Operations Officer: Upon receipt of notification from the custodian, informs the Management	1. The Operations Officer: - Sends a request to the custodian to obtain the necessary documentation - informs the Management
	2. The Management: Considers the issues, communicates with the asset manager and/or the investment advisor and votes accordingly	2. The Management: Considers the issues, communicates with the asset manager and/or the investment advisor and votes accordingly
	3. The Operations Officer: - Processes the necessary communications - Registers the vote in the dedicated voting register as described under section 3 of this Policy	3. The Operations Officer: - Processes the necessary communications - Registers the vote in the dedicated voting register as described under section 3 of this Policy

2. STRATEGY FOR EXERCISING THE VOTING RIGHTS

The objectives when participating to a Shareholder meeting must be:

- To receive closer information on the company
- To defend / vote for the interest of the fund, the rights must benefit exclusively to the fund + concerned and its shareholders
- The cost of participation must be in relation to the benefits of the shareholders

The strategy:

We vote AGAINST all decisions that go against the valuation of the company.

We vote FOR only when we believe a good resolution will not be easily obtained.

In any other case, we don't vote.

The decision:

The vote must be defined by the Management taking into account the input of Asset Manager.

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3. SHAREHOLDER INFORMATION

Pursuant to provisions of Article 37 of the Delegated Regulation No. 231/2013 of 19 December 2012 and Article 23 of the CSSF Regulation No. 10-04, the Company maintains starting from January 2019, a voting register in order to be able to provide investors on request with details of the actions taken based on voting strategies identified in this Policy. Such voting register will include details on the Fund(s) concerned, the matters up for vote, the vote issued and the relevant dates.

Pursuant to Article 23 of the CSSF Regulation No. 10-04, Article 37 of the Delegated Regulation No. 231/2013 and Section 5.5.10 of CSSF Circular 18/698, this Policy is available to investors free of charge and can be obtained via the website of the Company.

4. DELEGATION

Where the Portfolio Management activity has been delegated to a third party (the Delegate), such Delegate is authorized to exercise voting rights in line with their own Voting Rights Policy. In such case the Company ensures, within the framework of its initial due diligence and through its on-going monitoring, that the Delegates Voting Rights Policy meets requirements set out in Article 392 of the CSSF Circular 18/698 and in particular that the Policy sets out 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 concerned fund and its investors.

5. CONFLICT OF INTEREST

Potential Conflicts of Interest related to the exercise of voting rights are treated within the general framework of conflict of interest management as described in dedicated Conflict of Interest Policy of the Company.

The conflicts of interest within this context may arise if the Funds hold financial instruments issued by the Company or its subsidiaries, its shareholders or companies with which the Company may maintain a strategic relationship. Considering that the Company is a fully independent and privately held entity, risk of conflict of interest arising within the context of exercising voting rights is moderate.

Nevertheless, should the instance arise, in which the exercise of voting rights on behalf of the Funds would lead to the appearance of a conflict of interest, the Board will as a principle not exercise such voting rights without full disclosure to the Funds' relevant investment committee or other form of investor representation.