



**TMF**  
GROUP

# Voting Rights and Shareholders Engagement Policy

TMF Fund Management S.A.

April 2025 | Version 6



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# 1. Version control

This document is subject to document control, for any enquiries or suggestions please contact Risk and Control team.

Version No.	In force from	Main changes
1	16/09/2013	Creation of the Policy
4	01/07/2021	SRD II
5	01/09/2021	Company rename in TMF Fund Management S.A. ("TMF")
6	01/05/2025	Delegation of Voting Rights to advisor

Sustainability	Frequency	Responsibility
Review required	The Policy will be regularly reviewed and updated in the following cases: - change of applicable legislation; - any new legal requirement; - any other change that would have an impact on the procedure.	Policy Owner - Portfolio Management

	Department/ Position
Preparer	- Portfolio Management
Reviewers/ Stakeholders	- Conducting Officers - Board of Directors of TMF
In Scope	- The funds for which TMF acts as Management Company

	Position	Name / Date
Owner	Conducting Officer Risk Management	Florian Rassel - April 28 <sup>th</sup> 2025
Approver	Conducting Officers	Maelle Lenaers - April 28 <sup>th</sup> 2025 Diana Mihailova Florian Rassel
	Board of Directors	May 16th, 2025

	Owner	Approver	Reviewers	Stakeholders	In scope
Policy RACI	R Responsible	A Accountable	C Consulted	C Consulted	I Informed



## 2. Scope

This Voting Rights and Shareholders Engagement Policy (the “**Policy**”) outlines the process of how engagement activities are integrated in the investment strategy of the funds for which TMF 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 and current best practice.

### 3. Regulatory reference

In preparing this Policy, TMF aims to comply with the legal requirements of the following regulations:

- Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended and transposing the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast) (“**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 on alternative investment fund managers, as amended and transposing the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (“**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 ; Specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent (“**CSSF Circular 18/698**”).



## 4. General principles

As set out in section 5.5.10 of CSSF Circular 18/698, each fund, which has not expressly authorised TMF to exercise voting rights attached to instruments held in its portfolio, shall develop its own strategy for exercising voting rights.

Therefore, this Policy shall apply to all funds where TMF 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, has provided TMF with a Fund Specific Policy. In such case, provided that such Fund Specific Policy is approved by TMF, it shall be published on TMF website and shall prevail over this Policy.

In the cases when the management body of the fund has specifically vested TMF with the right to exercise voting rights relating to instruments held in its portfolio, then TMF shall ensure that the voting rights and the engagement strategy are effectively and efficiently implemented.

If the portfolio management of the fund has been delegated by TMF to an external Portfolio Manager, the exercise of voting rights has also been delegated by TMF to the portfolio managers of the funds. In this case TMF ensures during its initial due diligence and ongoing monitoring that the delegate's strategy has an adequate and effective strategy 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 fund concerned and its investors.

### **LIQUID FUNDS**

For liquid funds, when TMF retains the portfolio management funds in-house, TMF strives to exercise shareholder voting rights in the best interests of the investors of the funds under management, independent of the interests of third parties, and in accordance with the objectives of the investment policy of the respective fund.

TMF exercises its voting rights with the aim to protect the Investors' interests in an economically viable way and aims at exercising its voting rights for significant investment exposures (defined as being above a threshold of 3% of the overall voting rights) taking into consideration the individual case and potential benefits as well as costs involved.

### **ILLIQUID FUNDS**

For illiquid funds, when TMF retains the portfolio management funds in-house, TMF delegates the exercise of voting rights to the Advisor of the fund, in accordance with the engagement strategy specified below.

## 5. Engagement strategy

To ensure that voting rights are exercised in a manner that serves the best interests of the Fund and its investors, TMF applies the following principles:

### 1.1 Monitoring and Voting

In order to ensure that the execution of voting rights is performed in the best interest of the investors, the following guidelines apply when exercising voting rights:

- Corporate Governance: TMF will generally vote in favour of the management's proposed directors in uncontested elections. For contested elections, TMF will vote for candidates that, in TMF's opinion, best serve the interests of the investors. TMF will further generally vote in favour of the appointment of external/independent directors at the boards of underlying securities issuers, as TMF believes that such directors are beneficial to the development of the relevant securities issuers. TMF will oppose to the appointment of any director whom it considers as unsuitable based on his/her experience or qualifications.
- Takeover Defence and Related Actions: all proposals will be monitored and reviewed on a case-by-case basis; this taking into consideration the best interest of the Shareholders.
- Mergers/Acquisitions: all proposals will be monitored and reviewed on a case-by-case basis; this taking into consideration the best interest of the Shareholders. Only if sufficient information exists and the process is in line with the interests of investors, TMF will vote for mergers or acquisitions.
- Directors/Employee compensation: TMF believes that the directors/employees compensations (including bonuses and other extraordinary incentive provisions) are part of the ordinary business and will generally vote in favour of directors/employee compensations which is in line with the interest of investors. TMF will take into consideration the economic position of the security issuer, and the rationale behind the relevant directors/employee compensation proposals, when deciding how to vote on any such matter, in the best interest of the investors.
- Capital Structure: in the absence of unusual circumstances, TMF will vote in favour of proposed increases in authorized capital. Any proposal which involves the issuance of preferred shares or which gives the directors of the security issuer the authority to assign disproportionate voting rights at the time the securities are issued will be subject to reinforced review prior to approval. When deciding how to vote on any proposed restructuring or recapitalization, TMF, if it is not detrimental to the funds' shareholders, will consider whether the proposed action is the best mean of enhancing value for the funds holding the securities and will positively affect the security issuer's long term prospects.
- Compliance with investment objective / policy of the funds: TMF, when exercising voting rights in relation to securities held by its funds, will always exercise its voting rights in compliance with the investment objective and policy of the relevant fund.
- Conflicts of interest: TMF may find itself in a situation where it has to exercise voting rights in relation to two or more underlying securities issuers with diverging/opposed interests, which may adversely

affect a securities issuer and, subsequently, the net asset value of a fund. In such situation TMF will prevent or manage these conflict of interests arising from the exercise of voting rights, deciding on the direction of the votes on a case-by-case basis evaluating which of the two/more choices will affect less the fund's NAV and vote consequently. Any new conflict of interest will be dealt on as per the procedures explained in TMF's Conflict of Interest Policy.

- External advice: TMF, may seek recommendations from third-party service providers in relation to the exercise of voting rights; this service providers will be paid out of the assets of the relevant Fund.
- Reporting: if the financial statements are not compliant with standard accounting rules, TMF will vote against the acceptance of the annual financial statements, in line with the exclusive benefit of the fund and the best interest of the investors.

## 1.2 Dialogues with Management and stakeholders of the company

In general, TMF has no direct contact with company's boards or other stakeholders in the holdings managed in its funds. However, TMF acknowledges the importance of constructive dialogue with management teams in order to promote good corporate governance practices.

## 1.3 Cooperation with other shareholders

Due to the relatively small positions compared to the market capitalisation of the shareholding, TMF does not work with other groups of shareholders. In individual cases, however, TMF is willing to cooperate with other groups of shareholders if it serves to protect the interests of the investors of the Fund.

## 1.4 ESG factors

TMF believes it is useful to obtain greater shareholder engagement in corporate governance, since it is one of the levers that can help improve the financial and non-financial performance of companies, including as regards environmental, social and governance ("**ESG**") factors, in particular as referred to in the Principles for Responsible Investment. TMF monitors the corporate actions whose related deliberations can affect the ESG factors for a company, especially in relation to the portfolio of funds which can be classified as art. 8 or art. 9 according to Sustainable Finance Disclosure Regulation (SFDR).