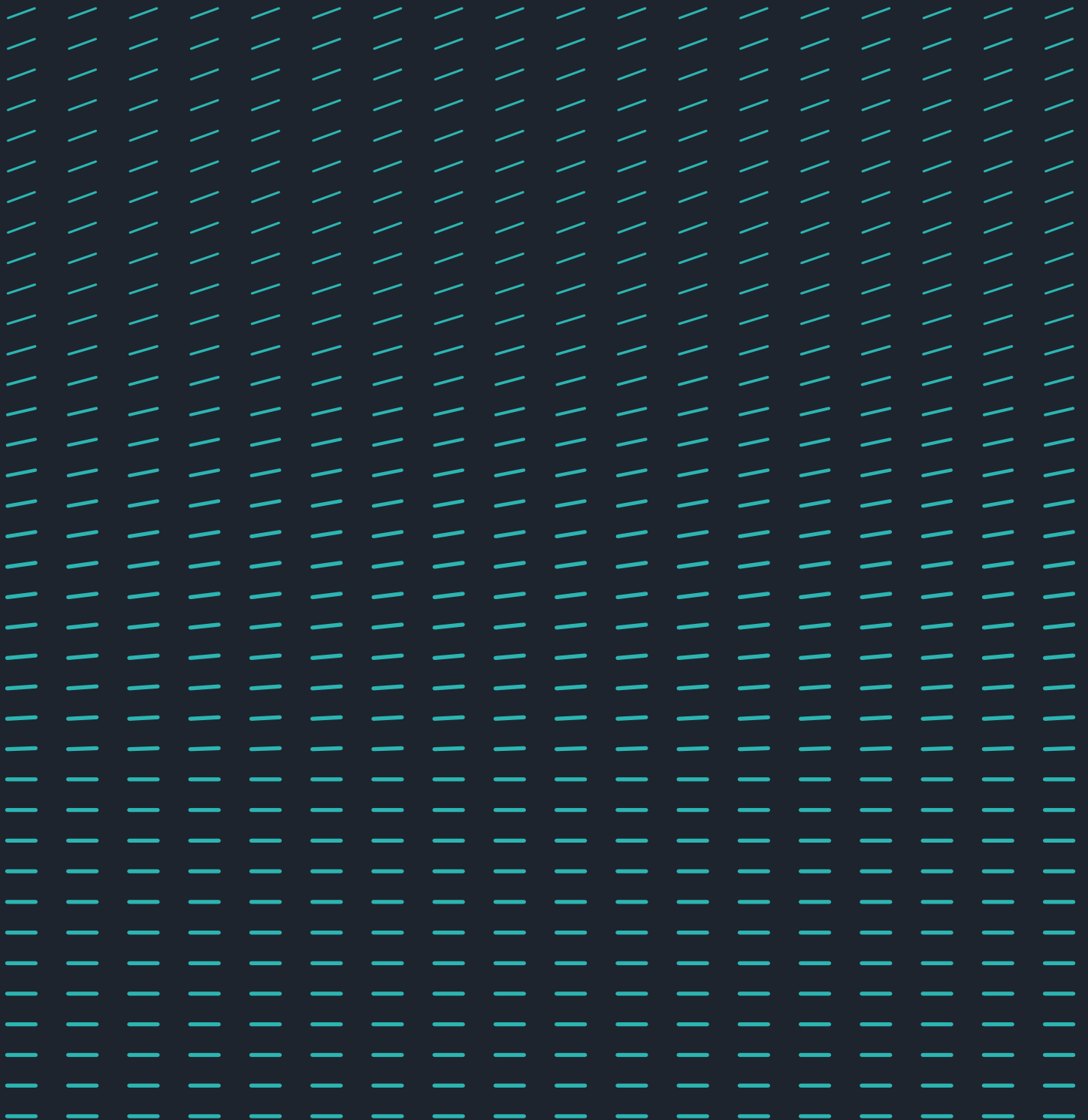


# CGFM (Luxembourg) S.A. Proxy Voting Policy



## Policy Owner

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**Function:** Head of Compliance  
**Review frequency:** Annual  
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Version	Author / Reviewer	Description of changes	Date
1.	Cord / Rodewald / Miriem Belkacem	Creation of the Proxy Voting Policy (CSSF Circular 18/698)	May 2019
2.	Selma Ulusoy	Annual Update	August 2020

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## **Introduction**

Carne Global Fund Managers (Luxembourg) S.A. (“Carne” or the “Company”) business purpose is to act as third-party Management Company under the Luxembourg Law of 17 December of 2010 and as Alternative Investment Fund Manager under the 12 July 2013 Law on Alternative Investment Fund Managers (“AIFMD Law”) for investment funds and other unregulated investment structures (“Funds”). Carne delegates in general the investment management function of the Funds including the exercise of voting rights to external investment managers (“Investment Manager”) as set out in the respective investment management agreements (“IMA”).

Carne acts only for a small number of Funds as investment manager for which the exercise of voting rights remain within the Company. Among these inhouse managed Funds may be cases in which Carne makes use of external professional advice for the exercise of voting rights or even delegates it to a third service provider. These inhouse managed Funds are predominantly Funds under the AIFMD Law.

This Proxy Voting Policy (“Policy”) has been reasonably designed to ensure that Carne in its capacity as investment manager or the external Investment Managers exercise the voting rights attached to equities held by the Funds in the best interest of the investors and of the Funds.

### **Exercise of voting rights of funds managed by investment managers**

Subject to the IMA and provided that the external Investment Managers should always be acting in the best interests of the shareholders of the Funds and fulfil its fiduciary duty to Carne, each of the Investment Managers will have the full discretion to exercise voting rights based on their own proxy voting policies and procedures (“Procedures”).

The Company ensures that the external Investment Managers are compliant with applicable rules and regulations and can fulfil this and other assigned duties. Additionally, the Company is seeking confirmation that the Investment Managers have procedures and internal controls to ensure compliance with proxy voting regulations.

The general provisions of the Procedures have been reviewed by Carne as part of the initial due diligence at on-boarding stage of the Investment Manager. The monitoring of these general provisions is also in scope of the periodic due diligence Carne applies on the Investment Managers on a risk-based approach.

In instances where the Investment Managers may have a material conflict of interest in relation to the exercise of the voting rights, the Investment Manager should always fulfil its fiduciary duty to Carne and resolve these potential conflicts according to their internal conflict of interest policy which is also in scope of Carne’s due diligence process. If the Investment Managers have breached their internal Procedures, the Investment Managers should immediately report the issue to Carnes’ Conducting Officer and Carnes’ Compliance and provide a rectification action plan (if any) to resolve the issue.

### **Exercise of voting rights of funds managed by Carne**

Carne is of the view that exercising voting rights, whenever possible without incurring undue costs, is in the best economic interest of the shareholders of the Funds and aligned with the desire to safeguard investments, which are made with the aim of achieving financial success and based on prudent, responsible business behaviour.



As a general principle Carne exercises the voting rights attached to equities held by the Funds. However, Carne may deviate from this principle, if the shareholding represents only a small part of the investing Fund's total portfolio value and thereby the benefit of exercising the voting rights has little impact on the overall portfolio of the Fund. Other factors, including but not limited to local regulations, which may render the exercise of voting rights cumbersome and costly or restrict Carnes' possibility to trade the shares in question, may also affect the decision whether it is in the best interest of the investors of the Funds to exercise the voting rights.

The portfolio management department of Carne shall be responsible for making decisions with respect to the voting rights. In cases where Carne makes use of external professional advice for the exercise of voting rights or even delegates it to third parties these third parties and advisors are subject to the general principles of the previous chapter.

When voting rights are directly exercised by Carne the below list represents a non-exhaustive list of criteria to be considered:

- Protection of shareholder rights and interests,
- Enhancement of profitability stemming from operational activities of the company,
- Restructuring and reorganising of the company,
- Growth of intrinsic value of the corporation,
- Improvement of corporate governance of the company,
- Improvement of financial structure of the company,
- Formal and transparent Board of Director nomination and election process,
- Remuneration of the members of the Board of Director,
- Transparency and communication.

Under some circumstances and due to the nature and specific investment strategies of the Funds in scope of AIFMD, not all criteria as listed above can be considered at the same time.

### **Summary description**

A summary description of the Policy will be available to investors at the following website <https://www.carnegroup.com/en/downloads>

### **Rights Reports**

Details of the actions taken based on this Policy for Funds for which Carne acts as investment manager will be made available to investors free of charge on their request.

### **Annual Review**

This policy will be reviewed on an annual basis.



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