



**Board of Directors 23/07/2024**

# VOTING RIGHT AND ENGAGEMENT POLICY

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MB MNGT CO 025/24	01/08/2024	In force	Annual update
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**Voting Right and Engagement Policy**

*Confidential document.*



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## 1 Objective & Scope

Mediobanca Management Company S.A. (hereafter “the Company”) adopted this “Voting policy” for the exercise of voting rights.

The purpose of the Voting Policy is to determine the strategy of the Company for exercising the voting rights the Company is entitled via holdings in managed products.

## 2 Regulatory background

This Voting right policy was drafted in line with (i) Law of 17 December 2010 on undertakings for collective investment and (ii) the CSSF Regulation N° 10-04 transposing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organizational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company (iii) as well as the CSSF Circular 18/698.

## 3 General Principles

In general, the Company expects that the participation to annual general meetings and extraordinary general meetings of relevant underlying vehicles and the exercise of the voting rights thereof are assessed to be in the benefit for the managed products.

The exercise of voting rights is conditional to specific voting principles that are considered reasonable and effective from an investment management perspective and therefore the final decision about the actual participation to a corporate event and the way to exercise the voting right is determined by the relevant delegates. In particular, the appropriateness of the exercise of voting rights is determined by taking into consideration the following main factors:

- ◆ The size of the position in the portfolio;
- ◆ The country in which the issuer has its registered office;
- ◆ The availabilities of the shares;
- ◆ Obstacles arising from the decision to exercise the vote and the length of the blocking period, if any;
- ◆ The strategy behind the decision to invest in that particular stock (buy and hold vs short term trading);
- ◆ The administrative costs or any other related costs.

Regardless the list of factors above, the Company considers important to participate to corporate events when specific items are in the agenda of the general meetings to be held by the issuer of the stocks in the managed products' portfolio, such as:



- ◆ Protection of shareholders rights;
- ◆ Appointment of directors;
- ◆ Efficiency and objectivity of the internal control system;
- ◆ Analysis of the financial statement of the issuer and approval of the annual accounts;
- ◆ Remuneration policy and incentive systems;
- ◆ Change of constitutional documentations;
- ◆ Appointment/designation of external auditors;
- ◆ Corporate social responsibility matters.

The Company in accordance with the relevant applicable provisions of the Luxembourg Law of 1st August 2019 amending the Law dated 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies and transposing Directive (EU) 2017/828 as regards the encouragement of long-term shareholder's engagement ("SRD II") is committed towards investors into:

- ◆ monitors investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance;
- ◆ conducts dialogues with investee companies;
- ◆ exercises voting rights and other rights attached to shares;
- ◆ cooperates with other shareholders;
- ◆ communicates with relevant stakeholders of the investee companies;
- ◆ and manages actual and potential conflicts of interests in relation to its engagement.

As the Company delegates portfolio management including voting rights it puts reliance on the engagement framework developed by the delegated Portfolio Managers, when investing in shares of listed companies.

## **4 Exercise of voting rights attached to instruments held in the portfolio company**

Upon the assessment of the opportunity of the vote in view of the structure, the management and the results forecast of the underlying vehicle the voting right shall be exercised according to the following options:

- ◆ Participation of the Company in the general meetings through the designated person;



- ◆ Representation;
- ◆ Vote by correspondence.

The Company is in charge of using the voting rights, when not delegated, and reports about them during the Manager Meetings and the Board of Directors meetings, accordingly.

When the Company decides to delegate the voting rights to a third party, these shall be ruled by a dedicated power of attorney detailing the agreed strategy/instructions to exercise the voting rights.

Whenever the Company has delegated the management of a sub-fund to a third Company, the delegation contract shall also include the strategy to exercise the voting rights adopted by the third Company that should be in line with the voting right policy adopted by the Company.

## **5 Description of the voting strategy**

### **5.1. General principles**

The Company shall exercise its voting rights in accordance with the investment objectives and policy of the relevant managed product and to the exclusive benefit of the managed product concerned.

### **5.2. Description of the voting strategy**

While voting, the Company shall always promote the following points:

- ◆ The effective corporate governance plan;
- ◆ The fair treatment of shareholders;
- ◆ The transparency and integrity of financial statement;
- ◆ The responsibility, competence and performance of the Board;
- ◆ The independence of the external auditor.

## **6 Prevention and Management of conflicts of interests while exercising voting rights**

Voting rights are exercised in the exclusive interest of the investors of managed products. The Company shall prevent or manage any conflicts of interest arising from the exercise of voting rights.



The portfolio managers of the managed products and the Conducting Officers of the Company shall declare in their name open securities position or accounts for which they hold a power of attorney, in application of ethical regulations concerning transaction carried out on financial markets on a personal basis.

The Company shall do its best in order to avoid any situation of conflict of interest.

Where the Company is confronted with conflicts of interests, especially with entities within its group, the portfolio manager warns the Chief Risk and Compliance officer that certain resolution(s) are in conflict with the Company's voting policy and draft an explanatory document. The Chief Risk and Compliance officer, together with the other Conducting Officers of the Company, reviews the issue and proposes a recommendation.

According to this scenario, the Board of Directors shall take the final resolution with respect to the voting decision.

## **7 Disclosure**

The Company shall provide details of the actions taken on the basis of those strategies to the unit-holders free of charge and on their request.

The Company keeps report of voting events and the votes cast of the Company as well as any identification of conflict of interests.

This Voting Policy is made available on the Company's website in line with the requirements laid down by the CSSF Circular 18/698.

## **8 Policy review**

The Policy is reviewed on an annual basis and it will be updated whenever needed with the support of the Company's control functions to take into account evolutions in the applicable laws and regulations, in group policies or in Company's organization.

Any update made to the policy will be subject to the approval of Company's Board of Directors.