



VOTING RIGHTS POLICY

SUMMARY INFORMATION

UBP Asset Management Europe S.A.



UNION BANCAIRE PRIVÉE

Overview

As a signatory to the **United Nations Principles for Responsible Investment (UN PRI)** since March 2012, the UBP Group is committed to integrate environmental, social and corporate governance (ESG) considerations into its investment activities and to exercise its active ownership duties.

UBP Asset Management (Europe) S.A. (hereinafter “UBP AM”) acting on behalf of the funds under its management (hereinafter the “Funds”), is responsible for the exercise of voting rights linked to the instruments held in the Funds’ portfolios. Therefore, UBP AM must implement an adequate and effective strategy for determining when and how voting rights attached to the instruments held by its Funds are exercised for the sole benefit of the Funds and the shareholders (in the meaning of “investors”). Moreover, UBP AM shall ensure that voting rights are exercised in accordance with the investment objectives of the Funds and the Responsible Investment Policy of the UBP Group.

In addition to the above-mentioned regulatory obligations, UBP AM is also required to meet internal standards to ensure corporate governance responsibilities are robust, transparent and consistent with local market practice.

Principles for exercising the voting rights attached to instruments

UBP Asset Management (Europe) S.A. acting on behalf of the Funds is responsible for the exercise of voting rights actively, independently and exclusively in the interest of investors.

Proxy voting and the analysis of corporate governance issues in general are important elements of the portfolio management services provided to the Funds who have authorised UBP AM to address these matters on their behalf. The guiding principles in performing proxy voting are to make decisions that (i) favour proposals that in UBP AM’s view tend to maximise Funds’ shareholders value, (ii) are not influenced by conflicts of interest and (iii) integrate sustainability considerations and (iv) factor the cost to the Funds (e.g., ballot charges or shareblocking).

As defined by the UN PRI, responsible investment can be defined as “the integration of Environmental, Social and corporate Governance (ESG) considerations into investment management processes and ownership practices in the belief that these factors can have a positive impact on financial performance”.

Based on these guiding principles the approach of UBP AM is to determine when it is in the best interest of the shareholders to effectively exercise voting rights attached to the financial instruments held in the various portfolios under management.

This analysis is performed based on the costs/benefits ratio linked to the exercise of proxy voting and leads to the allocation of the sub-funds managed by UBP AM in two distinct categories:

- ◆ **Type 1 sub-funds:** Sub-funds for which it is efficient and in the best interest of the share-holders to actively participate in the voting rights exercise (or when it is stipulated in the investment policy of the sub-fund).
- ◆ **Type 2 sub-funds:** A limited number of sub-funds (e.g. with limited AUMs) for which it is - in principle – not efficient or in the best interest of the shareholders to actively participate in the voting rights exercise.

As a rule, all equity sub-funds with Assets under Management above EUR 15 million are Type 1 sub-funds.

In practice, the voting rights attached to the securities held by said sub-funds will be exercised by ISS, which has been appointed by UBP AM to assist with the implementation of certain proxy voting functions, to act in the best interest of the shareholders, and to oppose any proposal or action which would materially reduce and/or damage shareholders’ rights, including those that reflect failures to manage ESG risks.

However, in certain circumstances, a Portfolio Manager may propose an override of ISS recommendation. Such override proposal needs to be approved by one of UBP co-CEOs for Asset Management (AM), or by the Head of Responsible Investment (AM). The final voting decision sits with the Voting Committee of UBP AM, which will be solicited to arbitrate and resolve disputes with respect to voting recommendation/exception.

Voting rights are exercised on the basis of the principles stipulated in the ISS Sustainability Policy Guidelines. These principles are compatible with the investment policy pursued by each of the sub-funds impacted and are applied in the context of the global UN PRI engagements of the UBP Group.

The main voting principles can be summarized as follows:

Board Independence	<p>Generally vote against the election or reelection of any non-independent directors (excluding the CEO) if:</p> <ul style="list-style-type: none"> > Less than 50 percent of the shareholder-elected Board is independent, or > Less than one-third of the entire Board members, including those who, in accordance with local law(s) requiring their mandatory Board membership, are not elected by shareholders, would be independent. <p>ISS will consider relevant market-best practice in its assessment of Board independence.</p>
Key Committee Independence	<p>Vote against the election of executives who serve on the company's audit or remuneration committee. If a company does not have an audit or a remuneration committee, ISS may consider that the entire Board fulfills the role of a committee. In such case, ISS may recommend against the executives, including the CEO, up for election to the Board.</p> <p>Generally vote against non-independent members of the audit and remuneration committees if their election would lead to a non-independent majority on the committees.</p>
Independent Chairman	<p>Generally, vote against (re)election of combined Chair/CEOs.</p> <p>Generally vote against the election or reelection of a former CEO as Chairman to the supervisory Board or Board of directors</p> <p>Vote for shareholder proposals that would require the Board Chair to be independent of management.</p>
Board Diversity	<p>Generally vote against or withhold votes from the incumbent Chair of the nominating committee if there is not at least one woman on the Board. If the Chair of the nominating committee is not identified, generally vote against or withhold from incumbent members of the nominating committee.</p> <p>If the company does not have a formal nominating committee, vote against or withhold votes from the incumbent Chair of the Board.</p> <p>Generally vote for requests for reports on a company's efforts to diversify the Board.</p>
Risk Oversight Failure	<p>Sustainability policies may vote against directors due to failure to manage ESG risks. Vote against or withhold votes from directors individually, committee members, or potentially the entire Board, due to material failures of governance, stewardship, risk oversight, or fiduciary responsibilities at the company, including failure to adequately manage or mitigate ESG risks; or a lack of sustainability reporting in the company's public documents and/or website in conjunction with a failure to adequately manage or mitigate ESG risks.</p>
Board Discharge	<p>Vote case-by-case on the discharge of the Board and management.</p> <p>Sustainability policies may recommend vote against proposals to discharge directors due to failure to manage ESG risks.</p>
Non-audit Fees	<p>Vote against auditors where fees for non-audit services exceed either 100 percent of standard audit-related fees or any stricter limit set in local best practice recommendations or law.</p>

Statutory Reports	Vote approval of financial statements and director and auditor reports, unless: <ul style="list-style-type: none"> ▪ There are concerns about the accounts presented or audit procedures used; or ▪ The company is not responsive to shareholder questions about specific items that should be publicly disclosed.
Authorized Capital Structure	Vote for non-specific proposals to increase authorized capital up to 100 percent over the current authorization unless the increase would leave the company with less than 30 percent of its new authorization outstanding.
Preemptive Rights	Vote for general issuance requests with preemptive rights up to 100 percent of issued capital. Vote for general issuance requests without preemptive rights up to 20 percent of issue capital.
Shareholders' Proposals on Environmental and Social issues	Generally support shareholder proposals advocating ESG disclosure or universal norms/codes of conduct: <ul style="list-style-type: none"> - Greater disclosure of corporate environmental policies including climate change and greenhouse gas or toxic emissions; - Greater transparency of social policies such as those concerning workplace discrimination and corporate board diversification efforts, human rights, and compliance with human/labor rights norms/codes of conduct; and - Reporting on sustainable business practices including recycling, wood procurement, water use, operations in sensitive or protected areas, energy efficiency/ renewable energy, and incorporation of sustainability-related performance metrics into executive compensation setting.

Additional details, including regarding voting policy principles f, together with the policy on exercising voting rights linked to instruments held in portfolios managed by UBP AM, are available free of charge at the registered office of UBP AM:

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