

## VOTING RIGHTS POLICY

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Classification	Confidential
Audience	All employees and Management
Ownership	Head of Legal and Compliance

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0.01	April 2024	Julie Bourgeois	Initial Document

### Document Circulation

This document will be made available on the Firm's One Drive for the defined audience as soon as the document will be approved and finalized. Copies are not controlled.

### Review Cycle

This document shall be reviewed on a yearly basis at least or when required by major changes in the organization (internal governance framework) and operational processes of the Company.

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## 1. BACKGROUND

6 Monks (6M) (the “**Company**”, “**6M**” or “**we**”), is a Luxembourg private limited liability company (*société à responsabilité limitée*), having its registered seat at 1A, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B 259714.

6M is a regulated third-party management company for Undertakings for Collective Investments (“**UCI**”). 6M acts as Alternative Investment Fund Manager (“**AIFM**”) offering independent fund management services for Alternative Investment Funds (“**AIF**”).

In accordance with the requirements of article 23 of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 (the **Delegated Regulation**) and article 23 of CSSF Regulation N° 10-04 an AIFM (**CSSF Regulation**) must develop 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 AIF concerned and its investors. Said strategy is determined and described in the present Policy (the “**Policy**”).

The present Policy must be approved by the executive committee (the “**Executive Committee**”) and the board of managers (the “**Board of Managers**”), be available to the Company’s employees and published on the Company’s website.

## 2. SCOPE OF THE POLICY

The Policy shall apply to AIFs where 6M acts as AIFM unless the management body of the managed AIFs, or the delegated portfolio manager appointed by 6M for this AIF (if any, the “**Appointed Portfolio Manager**”), or the investment advisor appointed by 6M for this AIF (if any, the “**Appointed Investment Adviser**”) has provided 6M with an AIF specific engagement policy. In such a case, provided that such policy is approved by 6M, such policy shall be published on 6M website and shall prevail with respect to such AIF only over this Policy until it is terminated.

The present Policy is to be read in conjunction with the Conflicts of Interest Policy.

### 3. DEFINITIONS

<b>AIFM Law</b>	The law of 12 July 2013 on alternative investment fund managers, as amended.
<b>Circular 18/698</b>	CSSF Circular on authorization and organization of investment fund managers incorporated under Luxembourg law.
<b>CSSF</b>	The Luxembourg <i>Commission de Surveillance du Secteur Financier</i> .
<b>ESG</b>	Environmental, Social and Governance.
<b>Senior Management</b>	Means the persons who effectively conduct the business of the Company within the meaning of Article 7(1)(c) of the AIFM Law, also known as “Authorized Management” or the “Conducting Officers” or the “Executive Committee”.
<b>Sustainability Risks</b>	Means an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.
<b>Portfolio Management Policy</b>	Means the portfolio management policy of the Company.
<b>UCI Law</b>	The Law of 17 December 2010 on undertakings for collective investment, as amended.

#### **4. PRE-INVESTMENT STAGE**

In the pre-investment stage, 6M, the appointed Portfolio Manager and/or the appointed Investment Adviser will typically conduct thorough due diligence work to identify and evaluate investment opportunities and associated risks. Pre-acquisition due diligence work usually includes engaging directly with the management of the target company and appointing experts (including potentially on environmental topics). Depending on the type of transaction, due diligence work may be lighter or sounder and may include ESG topics.

#### **5. POST-INVESTMENT STAGE**

##### **5.1. Monitoring**

Following the investment where there were certain material risks identified during due diligence process, including potentially on ESG topics, 6M, the appointed Portfolio Manager and/or the appointed Investment Adviser will typically monitor progress of such investment and mitigation of those risks. Monitoring activities may include engagement with the management for the actions to be taken during the 100 days post-acquisition or supporting the establishment of remedial measures.

##### **5.2. Dialogues**

6M acknowledges the importance of constructive dialogue with Portfolio Management function in order to promote good corporate governance practices, determine long-term alignment of interests, properly assess the strategy of the Portfolio Management function (including on ESG topics as the case may be), as well as to improve disclosure mechanisms. For that purpose, 6M may focus on speaking at annual general meetings, liaising with the Portfolio Management function directly or relying on management's reporting.

##### **5.3. Voting**

In accordance with section 5.5.10 of CSSF Circular 18/698, article 23 of the CSSF Regulation and article 37 of the Delegated Regulation, 6M has developed an 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 AIFs concerned and its investors. This strategy is set out below:

- as set out in section 5.5.10 of CSSF Circular 18/698, each AIF, which has not expressly authorised 6M to exercise voting rights attached to instruments held in its portfolio, shall develop its own strategy for exercising voting rights;
- in principle, the AIFM agreements to which 6M is a party do not expressly authorise 6M to exercise voting rights attached to instruments held in portfolio. As a consequence, for these AIFs, it is the responsibility of the management body or general partners of these AIFs to determine when and how voting rights shall be exercised, in the best interests of investors;

- If an AIF is set up in the form of a common fund, or when the management body of AIF having the form of a corporate or partnership, has specifically vested 6M with the right to exercise voting rights relating to instruments held in its portfolio, then 6M shall endeavour to apply the following principles (unless otherwise disclosed in a separate AIF-specific voting rights policy):
  - ✓ 6M (or its delegates) monitors all relevant corporate actions in relation to the AIF's voting rights and ensures that the voting rights are exercised in accordance with the investment objectives and policy of the relevant AIFs;
  - ✓ 6M in general only approves changes in the investments' capital structure, if they are not detrimental to the AIFs' shareholders;
  - ✓ 6M typically considers voting for a change in the governing bodies in case of weak or sharp decline of performance, significant doubts about the competences of the governing bodies, legal compliance failure or other severe misconduct;
  - ✓ 6M would only vote for a merger or a takeover if it (or its delegates) considers the process to be in line with the interests of the investors;
  - ✓ If it considers the financial statements to be materially in breach of standard accounting rules, 6M would normally vote against the acceptance of the annual financial statements;
  - ✓ 6M will prevent or manage any conflicts of interest arising from the exercise of voting rights according to the Conflict-of-Interest Policy;
  - ✓ when exercised directly by 6M, voting rights decisions are taken by the Portfolio Management Function;
  - ✓ target AIFs frequently install investor (advisory) committees as part of their governance structure. Such committees are often asked to provide feedback in the form of voting forms for a range of topics, including the acquisition of or the exit from a particular investment, changes to the target AIF's governing documents as well as items related to the end of a target AIF's lifetime (e.g. extension or entry into liquidation). In such cases, the Board of Managers will - together with the Appointed Investment Advisor (if any) and/or the investment committees of the AIFs - evaluate such voting items on a case-by-case basis and in the best interest of the AIFs' and their investors.

## 6. RESPONSIBILITIES

6M intends to clearly define the roles and responsibilities of the corporate bodies and functions involved in the processes relating to voting rights management, as well as responsible for implementing and/or supervising and/or managing the implementation of this Policy.

### 6.1. Board of Managers

The Board is in charge of determining the proxy voting strategy and is responsible for ensuring that the Policy is properly followed, and interest of customers are fully respected.

To that effect, the Board of Managers:

- is ultimately responsible for approving and updating this Policy;
- oversees the implementation of this Policy;
- issues additional voting guidelines (where deemed appropriate);
- ensures that the exercise of voting rights is performed in accordance with the investment objectives and policy of the relevant AIF and in best interests of the investor and AIF on the long-term;

- prevents or manages any conflicts of interest arising from the exercise of voting rights.

## 6.2. Compliance Function

The compliance function supports the Board of Managers with the assessment of potential and identified conflicts of interest during the investment cycle and in the exercise of voting rights. The compliance function together with the investment committee of 6M determine the requisite steps to manage the conflict of interest, when needed, as further specified in paragraphs below and in line with the Conflict-of-Interest Policy.

The compliance function, in conjunction with the investment committee, is responsible for reviewing the Policy and to regularly ensure its compliance with applicable laws.

To keep track of the actions taken on behalf of the AIFs and in accordance with article 37 of the Delegated Regulation, the Compliance function is also in charge of controlling the timely recording of votes issued in the voting register and to prepare a monthly summary of votes issued and recorded, for presentation to the Board of Managers for ratification. The current voting register is centrally filed on the Company's servers.

## 6.3. Sustainability Committee

The Sustainability Committee assists the Board of Managers and the Executive Committee to meet their oversight responsibilities in relation to the Company's sustainability policies and practices.

The role of the Sustainability Committee in relation to the exercise of the voting rights is, inter-alia, to:

- Provide support to the Board and/or to the Investment Committee on ESG matters and may propose amendments to the ESG Policy;
- Assist the Board and the Management Committee in the context of the:
  - ✓ supervision of the proper implementation by the Portfolio Management function of the ESG Policy in the investment process; and
  - ✓ monitoring of the voting rights activities.

In accordance with the principle of proportionality, the Sustainability Committee is not implemented as of the date of the present version of the Policy. However, 6M intends to review this annually and to assess the need of the implementation of the Sustainability Committee in the light of the volume of assets under management as well as the complexity of the investment strategies of the AIFs.

## **7. CONFLICTS OF INTEREST**

In order to ensure that voting rights are always exercised in the exclusive interest of the AIFs, 6M carefully assesses situations that may give rise to potential conflicts of interest. The Conflicts of Interest Policy governs this activity and the corresponding prevention and management measures. Furthermore, depending on the nature of the conflict, 6M may abstain from exercising its voting rights to prevent connected risks between 6M (in-house or in the interests of third parties) and the AIFs.

In particular, 6M is responsible for the identification of conflicts of interest that may arise in the proxy voting process. Potential conflicts of interest may include, among others, the following scenarios:

- Material business relationship with another party entitled to exercise voting rights/proxy proposal for the same company; such a business relationship may influence how the proxy vote is cast;
- Professional having an interest in the investee company being voted on, due to affiliation, (e.g., as a board member of the portfolio company); such employee may seek to influence the voting.

The Compliance Function will work to determine the steps to manage the potential conflict of interest. Possible resolutions may include:

- voting in accordance with the recommendations of a third-party research provider;
- refraining from exercising its voting rights;
- disclosing the conflict to the customers and obtain their request to vote the proxies.

Proxies will always be voted in the best interest of the customers, regardless of any material relationship with a proponent of a proxy proposal or business or personal relationships, which may exist with participants in a proxy contest.

## **8. REPORTING**

Reporting on 6M's engagement and voting is available to investors in line with their requirements. The Policy is published on 6M's website.

## **9. POLICY OWNER AND DATE OF IMPLEMENTATION**

The Head of Legal and Compliance has been formally appointed as the owner of this Policy. Any amendment to this Policy may be made by the Compliance Function and Senior Management and must be duly approved by the Board of Managers of the Company. The Policy must be updated as soon as possible to take into account the changes in the regulatory and applicable standards affecting the AIFM and at least must be reviewed on an annual basis.

## **10. APPROVAL**

This Policy has come into force by approval of the Executive Committee and adoption by the Board of Managers and has no signatures.



**ANNEX 1: REGULATORY REFERENCES**

The Company takes the necessary steps to align its Voting Rights Policy with current best practices and the relevant Luxembourg regulatory framework.

<b>Laws</b>	Law of 12 July 2013 on alternative investment fund managers
	Law of 19 December 2020 relating to the implementation of restrictive measures in financial matters implementing the restrictive measures in financial matters adopted at UN and EU level against certain States, persons, entities and groups
<b>Code</b>	Criminal Code of the Grand Duchy of Luxembourg
<b>CSSF Circulars</b>	CSSF Circular 18/698
<b>Directives</b>	Directive 2014/65/EU on markets in financial instruments (“MiFID”)
	Directive 2011/61/EU on Alternative Investment Fund Managers (the “AIFM Directive”)
<b>Regulations</b>	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 organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company
	Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector