BMI ENGAGEMENT AND VOTING POLICY

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Owners	Giulio SENATORE Paul-Sébastien CARTERET
Supervisoryfunctions/support services/business lines consulted	- Legal and Corporate Secretary - Portfolio Management
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Version 1.0	BMI Engagement and Voting Policy - Issuance	Paul-Sébastien CARTERET	21 Octobre 2020

1 Introduction

BIL MANAGE INVEST S.A. (hereinafter referred as to “**BMI**” or the “**Company**”) is a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, qualifying as an alternative investment fund manager under the AIFM Rules and as a chapter 15 and 16 management company under the law of 17 December 2010, as amended, having its registered office at 42, rue de la Vallée, L-2661 Luxembourg and which is registered with the RCS under number B178517.

BMI’s sole shareholder is BANQUE INTERNATIONALE A LUXEMBOURG (hereinafter referred as to “**BIL**”). BIL is officially listed as a credit institution in Luxembourg and qualifying as an “Other Systemically Important Institution” in accordance with the Luxembourg law of 5 April 1993 on the financial sector, as amended from time to time (the “**Law of 1993**”). BIL is also classified as a significant supervised entity and as such, it falls under the direct prudential supervision of the European Central Bank (hereinafter referred as to “**ECB**”) in the framework of the Single Supervisory Mechanism (jointly supervised by the ECB and the *Commission de Surveillance du Secteur Financier*, hereinafter referred as to “**CSSF**”). Any change to such shareholding is subject to the prior agreement of the CSSF.

This engagement and voting policy (the “**Engagement Policy**”) sets out how when acting as Portfolio Manager, BIL Manage Invest S.A. undertakes stewardship and shareholder engagement for its discretionary long-only equity investment strategies. This policy has been written in accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (together, the “**Shareholder Rights Directive II**”).

This Engagement Policy complements and supplements the information available on our webpage. This Engagement Policy does not apply to investments made through alternative or quantitative strategies, as the performance of such strategies is not driven by the medium- to long-term performance of the relevant investee companies. This Engagement Policy applies to BMI with respect to engagement through listed shares that BMI invests in on behalf of its clients through discretionary long-only strategies and products

It should be noted that beyond decisions affecting the principles reprised below, BMI will generally not use its right to vote. As such and in practice BMI vote will overwhelmingly affect structural decisions to be taken in underlying companies.

The language of the Engagement Policy is English, all the documents (minutes of meetings, agendas, supporting documents, local procedures) referred to herein are to be drawn up in English.

2 VOTING RIGHTS

In a shareholder democracy, the shareholder vote at general meeting is the principal manner through which shareholders can influence a company's governance and its strategic direction.

Due to its fundamental importance, BMI believes that in its managed investment targets, shareholders should have voting rights in direct proportion to their economic interest (and risk exposure) in a company.

This is normally expressed as the one share, one vote principle.

BMI will systematically oppose decisions that:

- measures that dilute the voting rights of any shareholder by giving certain shareholders voting rights in excess of their economic interests;

- proposals that cap shareholders' voting rights once ownership of a certain percentage of shares is reached;

- multi-class capitalisation structures created;

3 VOTING POLICY

The BMI proxy voting policy relies on the internationally accepted set of principles of the International Corporate Governance Network (ICGN). The ICGN Principles reflect both the Principles of Corporate Governance of the Organization for Economic Co-Operation and Development (OECD) and principles developed by the ICGN itself.

Following here are the summarized ICGN principles.

BMI will systematically oppose decisions that run counter the below principles.

3.1 Principle 1 : Board Role and Responsibilities

Corporate boards have the task to monitor and guide the management of the company in the best interest of shareholders.

3.2 Principle 2 : Board Leadership and Independence

In order to fulfill that task, the majority of the board should be independent, have sufficient knowledge of the industry and relevant supervisory skills. Independent board members should have sufficient access to and information about the daily practices within the company.

3.3 Principle 3: Improve Corporate culture

Companies should engender a corporate culture which ensures that employees understand their responsibility for appropriate behavior. A company should have a code of ethics and conduct in place. The company should select and train their employees accordingly.

3.4 Principle 4: Improve risk management

Companies should have an adequate risk management policy and appropriate risk management systems in place. The board should report which main risks are identified and what policies or other measures have been implemented to minimize these risks.

3.5 Principle 5: Improve executive remuneration policy

The executive remuneration policy is one of the instruments to guide, evaluate and reward the behavior and achievements of executives. It is in the interest of a company, its shareholders and other stakeholders to have an appropriate remuneration policy for executives. Companies should be transparent about this remuneration policy, including the height of compensation, its structure and key performance targets. Remuneration policies should be structured in such a way that the interest of executives and shareholders are aligned towards the same end; value creation on the long term. The inclusion of non-financial targets is encouraged. Shareholders should have a say on pay by approving changes in the remuneration policy or via an annual vote on the remuneration report.

3.6 Principle 6: Improve audit function

Companies should have robust and efficient audit processes in place. Companies should be transparent how the financial statements have been constructed and if material weaknesses have been detected. In order to ensure auditor independence, companies should be clear on their auditor rotation or tendering procedures. In case of substantial payment of non-audit fees to the auditor, the company should provide sufficient information to ensure shareholders that the auditor can be regarded as independent.

3.7 Principle 7: Improve disclosure and transparency

Companies should be transparent and open about its aims its challenges, its achievements and its failures. This includes transparency on the companies sustainability strategy via their sustainability report or integrated report. Companies should timely publish their annual and sustainability report and announce their shareholder meetings.

3.8 Principle 8: Improve shareholder rights

Shareholders should have appropriate rights to ensure that boards are accountable for their actions. All shareholders should be treated equally in terms of voting rights, dividend distribution and the allocation of other rights. Shareholders should have a say in major decisions, significant transactions, mergers, and changes in company bylaws. Appropriate means should be available to shareholders to address issues with the company. When the company changes its capital structure shareholder value and shareholder rights should not be negatively affected or diluted.

4 INVESTMENT FUNDS MANAGED BY THIRD PARTIES

When delegating the investment management function on behalf of a given UCITS or the portfolio management function on behalf of a given AIF, BMI usually agrees with the appointed investment manager of the UCITS or portfolio manager of the AIF on the policies to apply to voting rights.

The particulars of the relevant delegate's policy to exercise voting rights are available upon request.

5 UCITS SPECIFIC POLICY

BMI shall ensure that no significant influence is exercised through the voting rights attached to instruments held across different portfolios under control.

Significant influence in this context is mainly determined based on the numeric limits as applicable based on the laws under which the instrument is issued. In some situations, BMI may be deemed to exercise significant influence even if the aggregated voting rights are less than a numeric limit.

If a significant influence may be exercised, BMI, may abstain from voting on behalf of the UCITS or transfer the voting rights to an independent third party, which would act in the best interest of the UCITS and its investors.

The particulars of the relevant proxy's policy to exercise voting rights are available upon request.

6 ESG PORTFOLIO MANAGEMENT FRAMEWORK

This framework lies at the core of BMI's responsible investment beliefs and is applicable in all portfolio management services for investment funds in Luxembourg. At a later stage, the ambition is to roll this out to all countries where BMI delivers those services.

We believe that responsible corporate practices and strong business ethics are here to stay. It is our belief that sustainable investment is simply the right way to go, making the world more resilient, without sacrificing financial returns. We believe that sustainable growth cannot be achieved without considering the needs of all stakeholders: customers, employees, shareholders and our communities. At BMI, we believe that sustainable and responsible investment is not hype, it's a prerequisite for the future.

We also believe that a responsible and sustainable investment framework and steadfast processes are essentials on the journey towards sound investing. Via a series of phases, our end- goal is to have all of our portfolio management services ESG-informed and engaged, adhering to a strong and systematic integration process and stewardship code.

We acknowledge that responsible investment practices are constantly developing and evolving. New risks may manifest themselves, public opinion may change and new market standards may be introduced. Our sustainable investment framework will, as such, be reviewed and, if necessary, adjusted on a recurring basis to incorporate these changes. Updates and previous changes to this policy are listed in the change log at the end of this document.

Sustainable investing is an integral part of BMI's Investment strategy and processes. Our sustainable and responsible investment policy ensures a SRI portfolio construction in three ways: exclusion, integration and engagement.

6.1 Exclusion

We fully acknowledge that environmental, social and governance issues have an impact on the financial outlook of a company and therefore its value. We are convinced that integrating environmental, social and governance factors results in better-informed investment decisions which could result in higher risk-adjusted returns. For us, the consistent fundamental analysis of environmental, social and governance issues is a key ingredient that enables us to adjust forecasts about significant security price drivers. This helps us to identify additional sources of risk and opportunity. Access to sustainability information is crucial. All our analysts and fund managers have access to ESG data and are provided with ESG training where required.

6.2 Integration

In order to minimize ESG related risks arising from exposure to certain sectors or activities that run a high reputational risk and unsustainable business models, BMI portfolio management services will use an exclusion list targeting individual companies (and their respective bonds and equities). Excluded companies are defined as companies presenting unacceptable harm to our society and where engagement make little sense.

Potential investments are excluded :

- when the companies are involved in the business of controversial weapons because of their indiscriminate effects and the disproportionate harm they cause (anti-personnel mines, cluster weapons, depleted uranium, nuclear weapons, white phosphorus and biological & chemical weapons)

- When the companies generate more than 10% of revenue from thermal coal extraction.

- When the companies generate more than 10% of revenue from oil sands extraction.

- When the companies have been identified as non-compliant to the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions.

In addition, BMI deems investing in government bonds (federal & local) of countries where a collapse of the governance structure take place as unsustainable. In addition, BMI follow applicable sanctions of the UN, EU or the Office of Foreign Assets Control

(OFAC) to which it is subject and follows any mandatory restrictions deriving therefrom. Revisiting exclusion criteria in accordance to innovation and societal trends will be an integral part of our engagement in order to shape a better future.

6.3 Engagement

Our first and foremost engagement is to embrace research and education on sustainable finance, in pursuit of continuous improvement in understanding the full-range of opportunities available to our clients, our investment strategies, our instrument selection and more broadly our business models in this field.

Over the past years, BMI has been very active in promoting awareness, acceptance and implementation of the ESG principles within its community of investment professionals. At a later stage, BMI's greater ambition is to publicize our engagement priorities and corporate stewardship beliefs. This will include the publication of an annual review detailing our voting activity and engagement.