

VOTING RIGHTS POLICY

July 2024

History

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1. Introduction

Nevastar Finance (Luxembourg) S.A. (hereinafter referred to as the “Company”) is an investment fund manager incorporated under the laws of the Grand-Duchy of Luxembourg and authorised by the *Commission de Surveillance du Secteur Financier* (hereinafter referred to as the “CSSF”) to act as:

- a management company, in accordance with Chapter 15 of the Law of 17 December 2010 relating to undertakings for collective investment, under registration number S00000803; and
- an alternative investment fund manager, in accordance with the Law of 12 July 2013 relating to alternative investment fund managers, under registration number A00001338.

As an investment fund manager, and in accordance with (i) Article 23 of CSSF Regulation Nr 10-4 as amended, (ii) Article 37 of Delegated Regulation (EU) 231/2013 and (iii) Points 392 to 396 of CSSF Circular 18/698, the Company is required to develop adequate and effective strategies for determining when and how any voting rights held in the investment funds under its management (hereinafter referred to as the “Funds”) are to be exercised, to the exclusive benefit of the Funds and their investors.

Specifically, the Company must determine measures and procedures for:

- the monitoring of relevant corporate actions;
- ensuring that the exercise of voting rights is in accordance with the investment objectives and policies of the respective Funds; and
- preventing, detecting or remedying any conflicts of interest arising from the exercise of voting rights.

With reference to the foregoing, it is to be noted that the Company acts as the portfolio manager of the Funds and has received a mandate from them for exercising voting rights attached to their instruments.

However, in case of delegation of the portfolio management activities, the Company will ensure that the delegated portfolio manager (i) be made aware of this Voting Rights Policy (hereinafter referred to as the “Policy”) and (ii) always vote in a manner which is in line with the relevant Fund’s investment objectives and policies, and in the exclusive interest of its investors.

2. Scope of the Policy

The present Policy applies to all Funds of the Company, regardless of their respective investment universe (i.e. equities (company stocks and shares of investment funds), fixed income, tangible assets such as real estate, etc.).

3. Exercise of voting rights

The voting is requested when:

- The position held by the Fund exceeds the detention threshold defined by Article 9(1) of the European Directive 2004/109/EC and transposed into the national law applicable to that security;
- The annual/extraordinary general meeting of the shareholders has to vote on one or several aspects listed below:
 - o Approval of the annual accounts;
 - o Corporate governance issues, including changes in the statutes of incorporation, merger, and other corporate restructuring;
 - o Changes to capital structure, including increases and decreases of capital and preferred stock issuances;
 - o Stock option plans and other management compensation issues;
 - o Social and corporate responsibility issues;
 - o Appointment and dismissal of Directors;
 - o Any other issue that may affect significantly the interests of the Fund.

4. Core Voting Principles

4.1. Equity investments

The Company votes in the course of annual general meetings depending on the percentage of shares held and their material impact on the fund investments.

This is the case for both (i.) shares of companies (i.e. stocks) or (ii.) investment funds (jointly hereinafter referred to as “Target Companies”) held in the Funds’ portfolios.

It is achieved in a prudent and diligent manner, based exclusively on its reasonable judgement of what will best serve the financial interests of the Funds’ investors, as the latter are the beneficial owners of such shares.

For standard agenda items of Target Companies’ shareholders’ meeting (i.e. those which in normal circumstances have no long-term material impact on the investments made by the Funds), the Company typically votes in accordance with the proposals of the Target Companies’ management.

For other matters which may ultimately have an impact on the Funds’ investors’ interests, some in-depth analysis of the items on the meeting agenda is done beforehand by the Company. These items are, among others: (i) mergers and acquisitions, (ii) takeovers, (iii) reorganisations, and (iv) changes in the structure of the share capital and voting rights. The analysis must be conducted based on available information, such as press releases, annual reports of the company, analysts’ recommendations.

Despite the foregoing:

- The Company does NOT vote at shareholders’ meetings of Target Companies where voting may be detrimental to the interests of the Funds/their investors, such as administrative costs associated with

voting or blocking requirements which lock-up the shares held in the Fund's portfolios (e.g. those deriving from a securities lending program), and which might in turn limit liquidity or access to market opportunities.

- More important, in recognition of its limited ability to exercise significant influence on management decisions in those circumstances where its shareholding is not material, the Company does NOT vote at the meetings of Target Companies if the aggregate shareholding of the Funds amounts to less than 5% of all outstanding shares¹.

In any case, the exercise of the voting rights shall be performed exclusively in the best interest of the Fund and its investors in accordance with the investment objectives of the Fund and in a way that prevents any possible conflicts of interests.

4.2. Fixed income investments

Regarding fixed income investments, the number of occasions in which the Company is engaged in exercising its voting rights is limited, due to the very nature of this particular asset class.

Where this may occur is typically with regard to investments made by the Company on behalf of the Funds in either convertible bonds or high yield bonds, where an investment may in some circumstances take on formal voting rights.

In any event, if and when voting, the Company will take the course of action which is the most appropriate to serve the interests of the Funds' investor.

4.3. Real estate investments (incl. vessels investments)

Similarly, to what applies to fixed income investments, the number of occasions in which the Company is engaged in exercising its voting rights regarding real estate investments is limited. This is also the case for vessels investments.

For real estate investments, this is not only because of the very nature of that investment, but also because the Funds typically are the sole owners, via special purpose vehicles, of which they are the sole shareholders, of the properties in the portfolios. Accordingly, as there are no co-owners of the properties alongside the Funds, there are no matters to deliberate upon which would otherwise require that the said co-owners meet in their capacity as shareholders of the respective special purpose vehicles.

¹ As calculated on the basis of the full market capitalisation methodology, as opposed to the free-float methodology.

5. Monitoring of Corporate Actions

5.1. For the Funds managed by the Company without delegation of portfolio management

All corporate events concerning the exercising of voting rights are communicated either by the Funds' respective central administrative agents and/or by the Funds' respective depositaries to the Company's Operations Department.

All decisions pertaining to the exercise of voting rights are then made either by the Company's Conducting Officers in charge of Portfolio Management, and their respective teams, or, as applicable, by the respective Investment Committees of the Funds.

5.2. For the Funds managed by the Company with a delegation of portfolio management

All corporate events concerning the exercising of voting rights are communicated either by the Funds' respective central administrative agents and/or by the Fund's respective depositaries to the (i) Company's Operations Department and (ii) the delegate in charge of portfolio management of the Fund.

All decisions pertaining to the exercise of voting rights are made by the delegate in charge of portfolio management of the Fund.

The Company will ensure, as part of its on-going monitoring programme regarding delegated portfolio managers, that the latter has designed and implemented an appropriate voting right policy.

In respect of both Funds managed by the Company without delegation of portfolio management and those with a delegation of portfolio management, the Company will maintain appropriate records - email messages, documents, etc.- evidencing the decision-making process regarding the exercise of voting rights.

6. Prevention of Conflicts of Interests

In order to ensure that voting rights are always exercised in the exclusive interests of the Funds and their investors, the Company carefully assesses situations that may give rise to potential conflicts of interest. This assessment, and the corresponding prevention, detection and remediation measures, are governed by the provisions contained in the Conflicts of Interests Policy implemented by the Company.

In particular, the Company will not exercise the voting rights relating to equity or fixed income investments if the related shares or bonds are issued by companies which are controlled directly or indirectly by the Company.

Furthermore, if other situations of this kind are found to exist, the Company will similarly abstain from exercising its voting rights.

The latter is in fact considered the most appropriate measure for the correct prevention of risks connected with the existence of conflicts of interests between the Company and the Funds.

Finally, in case of delegation of the portfolio management, the Company will ensure, as part of its on-going monitoring programme regarding delegated portfolio managers, that the delegate has designed and implemented procedures to prevent such conflicts of interests.

7. Disclosure to Funds' Investors

As per the provisions of Point 395 of CSSF Circular 18/698, the Company will arrange for this Policy to be posted on its Website (<https://www.nevostar.lu/votingrightspolicy>), so as to facilitate its access to Funds' investors.

8. Policy Ownership

This Policy will be approved by both the Management committee and the Board of Directors of the Company.

This Policy will be reviewed at least once per year and updated/modified anytime necessary by the Policy Owners. Any material change will be approved by the Management Committee and the Board of Directors of the Company.