

Alpina Voting Rights Policy (June 2020)

1. Glossary

AIF	Alternative Investment Fund
AIFM	Alternative Investment Fund
Manager	
AFM	Alpina Fund Management, or the AIFM / the ManCo
BoD	Board of Directors
Conducting Officers/ Senior Management	Persons who effectively conducts the business
CO for PM	Conducting Officer responsible for Portfolio Management
Relevant Corporate Event	Invitation to vote
ManCo	Management Company
PM	Portfolio Management

2. Regulatory references

- Luxembourg Law of 12 July 2013
- AIFM Regulation – Commission Delegated Regulation no 231/2013 of 19 December 2012
- Section 5.5.10 of the **CSSF Circular 18/698**, with Article 23 of Regulation 10-4 and Article 37 of the Delegated Regulation 231/2013, the Management Company shall develop an adequate and effective strategy for determining when and how voting rights attached to instruments held in managed funds are to be exercised, so that these rights benefit exclusively the fund concerned and its investors.

3. Purpose, application and scope

The AIFM / ManCo shall uphold the interest of the funds and its investors via the exercise of voting rights attached to the instruments held in all its portfolios.

The policy applies to all funds for which AFM acts as Management Company. AFM does not act as portfolio manager for other management companies in which case the exercise of voting rights or other rights linked to assets are delegated through agreement to AFM. However, AFM may delegate portfolio management services to third parties. In case of such delegation, AFM remains fully responsible for the overall investment management function, and shall ensure that proper arrangements to act in the best interest of the investors as well as the proper execution of voting rights are in place.

4. Applicable Policy for delegated portfolio management

When AFM delegates portfolio management services, the service provider will be required to have its own policy for the execution of voting rights and investor rights whose standards are at least equivalent to the standards described in this Policy, or, the service provider may elect to implement and follow the Policy of AFM, as amended from time to time. Furthermore, in case of a delegation to a third party, the contractual relationship between the service provider and AFM shall provide for a proper monitoring of the execution of voting rights and investor protection at the level of the service provider at all times.

Should a service provider not dispose of an own voting rights policy or should AFM consider that the voting rights policy of the service provider should, in full or in part, not be compliant with the voting rights policy of AFM, the service provider will be required to follow the principles for the exercise of voting rights, as outlined in this policy, for the funds under management of the service provider.

AFM shall contractually enforce the service provider's responsibility to monitor corporate events for the portfolio companies invested in.

5. Monitoring of relevant Corporate Events

The monitoring of the reports regarding Corporate Events is performed by the respective portfolio manager. In case that AFM has delegated the entire portfolio management process to third-party portfolio managers, AFM does not retain any part of the work processes. But AFM remains still responsible for the setup of the reporting of Corporate Events from the depositary bank to the service provider. In principle, the CO for PM is in charge of this exercise. The CO for PM may be represented by another member of the ManCo / AIFM by virtue of a proxy.

In case that AFM is performing the portfolio management function itself, the responsibility for the entire portfolio management service, including monitoring and exercise of voting rights remains fully with AFM.

6. Principles for the exercise of voting rights

The following principles apply for cases, where AFM has not delegated portfolio management to a service provider and applies in addition, where a service provider does not have an own policy accepted by AFM, as described earlier in this policy.

6.1. Proportionality

AFM takes into account the broadest meaning of "client best interest" which implies that there may be situations when voting would not be in the best interest of the funds and its investors, or where voting would trigger disproportionate costs or other economic drawdowns when compared to the expected benefits. Therefore, when deciding whether to vote on a Corporate Event or not, AFM will apply a proportionate approach with regards to the percentage of ownership in the relevant portfolio company. Voting rights will therefore not be exercised when the aggregate equity position comprises less than 1 % of the voting rights of the respective portfolio company. Further, AFM will not exercise any voting right which is linked to equity positions whose performance does not have any economic impact on the fund's performance

(an example for such a position is an equity position whose performance is exchanged against the performance of another asset under a swap agreement).

6.2. Best Practice

When voting rights are to be exercised, AFM takes into account guidelines for best practice, for example guidelines from the Luxembourg Fund Association (ALFI). Such guidelines are applied as implemented and are updated from time to time.

6.3. Participation

AFM strives to execute its voting strategy in a responsible way towards the funds, but shall not participate in the management of the portfolio companies. AFM will merely use its voice as a shareholder to promote the principles it stands for. Neither employees or directors of AFM, nor any employees or directors at service providers appointed by AFM shall be board members, managers or employees of the portfolio companies.

6.4. Alignment with investment objectives

AFM shall, for each Corporate Event, perform an analysis of the Corporate Event and its significance and alignment with the investment policy and objectives of the relevant fund. When voting, AFM or any delegate of AFM shall act exclusively in the best interest of the relevant fund and shall assure that the voting complies with the relevant fund's investment objectives and policies. Any voting activity shall be decided on a case-by-case basis, after carefully assessing all the economic implications attached to it.

In any case, AFM shall apply an effective voting strategy preventing or managing any conflicts of interests potentially arising from the exercise of voting rights.

6.5. Economic interest of the fund

AFM shall, for each Corporate Event, promote sound corporate governance principles, which shall be aligned with the long term economic interests of the fund in question.

6.6. Voting strategy in case of specific events

AFM shall follow the following principles when voting or causing to be voted (non-exhaustive list of events):

- In the event of a lack of information, AFM will abstain from a vote
- AFM will vote against the acceptance of annual financial statements when the annual financial statements are not compliant with standard accounting rules or when there is a doubt that they may not be in compliance with standard accounting rules
- AFM will vote for a change of the governing body only in the case of
 - o A considerable decline of performance
 - o Significant doubts about the competences of the governing body
 - o Severe misconduct / fraud of one or more members of the governing body.

7. Escalation

Any measures should be accompanied by escalation to the relevant bodies, if deemed appropriate. The escalation stages are as follows:

Employee/Service Provider → Conducting Officer responsible for PM → Board of Directors of the management company or the fund

8. Disclosure

A summary description of the details of the actions taken on the basis of the principles of the exercise of voting rights will be made available to the investors on request and will also be published on the company's own website in its currently valid version

9. Review

This Policy will be reviewed at least once a year by the responsible CO of AFM

Major amendments / updates will be submitted to the Board of Directors.

Where no update is required, the Policy will be applied consistently over time.