



# General information on the handling of the Shareholder Rights Directive

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### I. Policy ownership and version history

Policy owner	Approver	Version	Approval date	Date of previous version	Summary of main changes
<b>Compliance Function / Portfolio Management Function</b>	Board of Directors	1	8 April 2021	n/a	First Version

### II. Scope

The following information aims at giving further guidance on how Waystone Management Company (Lux) S.A. (formerly known as MDO Management Company and hereafter “Waystone”) handles the implementation of the requirements set by the Luxembourg law of 1st August 2019 relating to the exercise of certain shareholder rights at general meetings of listed companies and transposing the requirements of the Shareholder Rights Directive 2017/828 (“SRD II”) and amending the Luxembourg law of 24 May 2011 on the exercise of certain shareholder rights (the “SRD Law”).

The SRD Law requires asset managers and institutional investors as defined in Article 2 (e) of the SRD II (“Institutional Investors”) to illustrate how they engage with investee companies (“Engagement Policy”) and disclose their approach on an annual basis with a view to explain how shareholder engagement is included in the chosen investment strategy and implemented through e.g. the exercised voting behaviour (including a general description of voting behaviour, an explanation of the most significant votes and the use of services of proxy advisors) (“Implementation Disclosure”).

The following information is based on the current understanding of the regulatory framework in place and may therefore vary based on additional texts published by the regulators.

Please contact us for up-to-date information on the approach.

Waystone is of the opinion that transparency regarding the implementation steps taken with regard to those requirements is in the best interest of the UCI's managed and the investors invested in those UCIs.

### **III. Monitoring of the existence and publication of the engagement policy and voting rights strategy**

Waystone usually further delegates the investment management function to an external investment manager and will monitor the existence and publication of the Engagement Policy and voting rights strategy by mainly:

- Performing a due diligence on the investment managers, portfolio managers or, if relevant, investment advisors' shareholder engagement policy and voting rights policy prior to appointment;
- Performing a regular review to assess:
  - existence and publication of a shareholder engagement policy;
  - the adaptation of environmental, social and governance (ESG) aspects into the engagement and voting rights process;
  - monitoring process of corporate actions;
  - monitoring process of voting strategies applied and their execution;
  - if the delegate discloses publicly at least annually how engagement is implemented;
  - if disclosure at least on an annual basis to Institutional Investors or by publicly available information is done;
  - how the delegate prevent and manage any potential or actual conflicts of interest arising from shareholder engagement aspects or the exercise of voting rights. The conflicts of interest policy of the delegated investment manager or portfolio manager shall in particular:
    - identify, with reference to the activities of collective portfolio management carried out by or on behalf of a given collective investment schemes ("CIS"), the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interest of such CIS and its investors;
    - define procedures to be followed and measures to be adopted in order to manage such conflicts.

Waystone may consider any other information to assess if the implementation of the engagement – and/or voting rights policy is in the interest of the CIS and its investors.

However, in the case where Waystone delegates the portfolio management function to an external investment manager not being located in one of the member states of the EU, there may be no further information available on the website of such external investment manager.

### **IV. Waystone's strategy when acting as investment manager for UCITS or portfolio managers for AIFs**

When itself acting as portfolio manager or investment manager, Waystone shall ensure to evidence and document that any investment decision taken and the exercise of voting rights or any other engagement related action are in line with this policy and as the case may be, any CIS specific engagement policy.

In addition, Waystone verifies that the required annual disclosure in relation to the implementation (or at least an explanation in case of non-compliance) and disclosure to Institutional Investors of the relevant CIS will be done as further described in the paragraph below.

Waystone and/or the investment advisor will also publish (e.g. on its website) at least on an annual basis how the engagement policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and the potential use of proxy advisors' services. To distinguish between most significant votes (being subject to disclosure) and insignificant votes (not being subject to disclosure); qualitative criteria (e.g. due to the subject matter of the vote) or quantitative criteria (e.g. due to the size of the holding in the listed target company) may be applied. Based on the "comply or explain" principle, such information might not be publicly available; e.g. in case the investment strategy of the CIS does not justify for such an implementation.

Furthermore, Waystone and/or the investment advisor will also disclose at least on an annual basis to Institutional Investors or publicly make available how the investment strategy and implementation thereof complies with the applicable arrangements entered into with Institutional Investors. For the avoidance of doubt, Waystone as a third-party management company and alternative investment fund manager does not in principle enter into any agreement with Institutional Investors.

However, in the case where the investment advisor is not located in one of the member states of the EU, there may be no further information available on the website of such investment advisor.

Waystone's Portfolio Management Team is responsible for the supervision of these tasks and can delegate part or all of them to identified parties inside or outside of Waystone.