

Principles governing the exercise of voting rights

In its function as management company or as manager of alternative investment funds, IPConcept (Luxembourg) S.A., hereinafter referred to as “IPConcept”, undertakes to exercise special care with regards the investors of the funds when exercising voting rights. The interest of investors is always the focus of attention. Decisions on the exercise of voting rights are taken independently of any third-party interests.

IPConcept examines on a case-by-case basis if and how voting rights are exercised, taking into account the investment philosophy, investment policy and investment goals of the respective fund as well as taking costs into account. For reasons of time, organisation and logistics, IPConcept does not generally participate in general meetings, general assemblies and other meetings (creditors’ meetings) itself. However, it may entrust a third party (“representative”) with the participation. In this case, the voting proxy is effected by means of a written authorisation and the issue of instructions. IPConcept can also make use of the services of voting rights consultants and platforms for the exercise of voting rights. When exercising voting rights on behalf of IPConcept, IPConcept obliges the representative to observe IPConcept’s principles governing the exercise of voting rights.

The principles governing the exercise of voting rights serve as a guide. In the event of corresponding voting, the investment philosophy, investment policy and investment objectives of the respective fund override the interest of investors.

In the following, IPConcept’s voting behaviour is illustrated on the basis of the information available to it.

Supervisory Board and Executive Board

The responsibilities of the relevant boards should be clearly defined and separated. The persons responsible should have the appropriate qualifications. Remuneration should be orientated towards the long-term success of the company, should not entice employees to take unreasonable risks, and should be performance-related and transparent. In the event of possible conflicts of interest or doubts on the part of IPConcept regarding the above, IPConcept reserves the right to vote against the corresponding appointment of the respective person(s).

Shareholder rights

Shareholders have the right to co-determination and information. IPConcept is fundamentally in favour of equal treatment of all shareholders.

Annual report

The company’s annual report should be published regularly and should be transparent in order to provide shareholders with an overview of the company’s financial situation.

Profit appropriation

Dividend payments should be reasonable and in line with the financial results or at least in line with the company’s long-term earnings profile. A different procedure may be agreed under special circumstances.

Capital measures

Capital increases should serve the long-term purpose of the company and the long-term yield opportunities should exceed the cost of capital.

Takeover bids

Takeover bids should include an appropriate takeover premium or at least reflect the fair value, unless a higher price is likely to be obtained.

Auditors

When appointing an auditor, the auditor should be independent. Remuneration should be transparent and appropriate.

Social, ethical and environmental responsibility

IPConcept is fundamentally in favour of responsible corporate governance that takes into account the interests of shareholders.

These principles are reviewed and updated annually. Moreover, adjustments can be made during the year if special circumstances and practical experience require it.

IPConcept will provide more detailed information on voting behaviour at the request of an investor. Furthermore, IPConcept will disclose corresponding information in regard to the voting behaviour on the homepage, if an investment threshold of more than 10 percent of a company is held, as it implies a significant influence.