

# Voting Rights and Engagement Policy

22 December 2022

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## 1. Introduction

Mandatum Fund Management S.A. (the “**IFM**”) is a management company authorised under Chapter 15 of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended (the “**Law of 2010**”) which manages one or more undertakings for collective investment in transferable securities authorised pursuant to the Law of 2010 (the “**UCITS Funds**”).

This policy sets out the legal & regulatory requirements, as well as the related actions, which the IFM complies with in order to meet its obligations with respect of shareholder engagement and exercise of voting rights in accordance with the main following laws and regulations:

- Law of 2010 transposing Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS, as amended
- CSSF regulation 10-4 transposing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organizational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company as amended;
- CSSF circular 18/698 (as may be amended, supplemented or replaced) on authorisation and organisation of investment fund managers incorporated under Luxembourg law and specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent (“**CSSF Circular 18/698**”);
- Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 as regards the encouragement of long-term shareholder engagement (**Shareholders Rights Directive II**) amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement;
- Law of 24 May 2011 (the “**SRD 1 Law**”) on the exercise of certain rights of shareholders at general meetings of listed companies implementing EU Directive 2007/36/EC on the exercise of certain rights of shareholders in listed company, as amended, in particular by Law of 1 August 2019 (the “**SRD 2 Law**”) transposing the EU Directive 2017/828 on Shareholders' Rights; and
- ALFI SRD II Q&A.

## 2. Voting rights policy

### 2.1 Principles for exercise of voting rights

The exercise of voting rights shall be made to the exclusive benefit of the UCITS Funds and its investors and shall comply with the investment objectives and policies of the UCITS Funds.

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## 2.2 Delegation of exercise of voting rights

As the portfolio management of the UCITS Funds has been delegated to Mandatum Asset Management (the “**Portfolio Manager**”), the exercise of voting rights has also been delegated by the IFM to the Portfolio Manager of the UCITS Funds.

To ensure that the Portfolio Manager exercise voting rights in accordance with this policy, the IFM performs an initial and ongoing due diligence on the Portfolio Manager, part of which is to make sure that the Portfolio Manager has an adequate and effective voting rights policy. A review of the Portfolio Manager’s voting rights policy is done annually as part of the ongoing due diligence process.

## 2.3 Measures and procedures to monitor and document the exercise of voting rights

The IFM monitors the performance of portfolio managers with regards to exercise of voting rights by monitoring following items:

- (a) monitoring relevant corporate actions and portfolio managers’ responses to them
- (b) monitoring participation and voting in general meetings

The Portfolio Manager reports quarterly the use of the voting rights to the IFM. The report is reviewed by the Conducting Officers on a quarterly basis.

## 2.4 Preventing or managing potential conflicts of interest arising from the exercise of voting rights

The IFM will prevent or manage any conflicts of interest arising from the exercise of voting rights according to its Conflict of Interest Policy.

# 3. **Engagement Policy**

## 3.1 General Principles

As the IFM has delegated its portfolio management to Mandatum Asset Management Ltd (the “**Portfolio Manager**”), the IFM has adopted the Portfolio Manager’s Engagement Policy (the “**Engagement Policy**”), which describes how the Portfolio Manager integrate shareholder engagement to the UCITS Funds investment strategies. The link to the Portfolio Manager’s Engagement Policy is available on the website of the IFM. To ensure that the Engagement Policy is in accordance with the applicable laws and regulations, and in accordance with this Voting Rights and Engagement Policy, the IFM performs an initial and ongoing due diligence on the Portfolio Manager, part of which is to make sure that the Portfolio Manager has an adequate and effective engagement policy.

## 3.2 Annual disclosure of the implementation of the Engagement Policy

Annual disclosure of the implementation of the Engagement Policy, including a general description of voting behaviour, an explanation of the most significant votes and the use of services of proxy advisors has been published on the website of the Portfolio Manager first time by the 31 January 2021, covering the year 2020, and

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henceforth annually by the 31 January of each year. The link to the annual disclosure is available on the IFM's website.

**4. Disclosure of the Voting Rights and Engagement Policy**

The latest version of this Voting Rights and Engagement Policy is available on the website of the IFM.

**5. Policy review and implementation**

The Conducting Officer responsible for the oversight of Portfolio Management will review this policy at least annually and always when there are changes in relevant laws and / or regulations.

The policy is then validated by the executive committee and subsequently approved by the board of directors of the IFM for entering into force.