KJK Capital

KJK Capital Luxembourg S.A.

Engagement and Voting Rights Policy - Summary

SUMMARY OF ENGAGEMENT AND VOTING POLICY

1. Introduction

In accordance with point 395 of CSSF Circular 18/698 and Article 37(3) of the AIFM Regulation (EU) No 231/2013, the AIFM is required to make available to investors a brief description of its strategy for exercising the voting rights attached to instruments held by the AIFs it manages. Also, upon request of the current investor, the AIFM shall also provide additional details on how this voting strategy has been implemented internally.

2. Purpose

In accordance with article 37 of the AIFM Regulation (EU) No 231/2013 and Article 23 of CSSF Regulation N° 10-4 of 20 December 2010, and relevant provisions of the law of 24 May 2011 on the exercise of shareholders' rights in shareholders' meetings in listed companies as amended by the law of 1 August 2019 transposing the requirements of the Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long term shareholder engagement ("SRD II") the AIFM has established the present engagement and voting policy in order to determine when and how any voting rights held in the AIF portfolio it manages are to be exercised, to the exclusive benefit of the AIF concerned and its investors and according to the investment objectives of the AIF. The policy furthermore determines how relevant corporate actions are monitored and how conflicts of interest arising from the exercise of voting rights are prevented.

The present policy will pursue the following goals:

a. ensure that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant AIF

b. monitor relevant corporate actions

c. prevent or manage any conflict of interest arising from the exercise of voting rights

d. promote good governance and sustainable corporate practices

e. strengthen the engagement of investors in their investment and therefore sets out principles for the engagement of shareholders

This document generally describes the AIFM's voting behavior for management or shareholder proposals at shareholders' meetings as well as engagement behavior without claiming to be exhaustive. For the avoidance of doubt, the Policy is primarily applicable in relation to the AIFs investments in corporations having their registered office in the European Union and whose shares are admitted to trading in a regulated market located or operating in the EU.

3. Exercise of voting rights, voting guidelines and general principles

In general, the AIFM shall make the necessary arrangements to use the voting rights attached to the instruments held in the AIFs portfolios. The voting rights will be exercised by a representative of the AIFs.

For most proxy proposals, particularly those involving corporate governance, the evaluation will result in the same position being taken across all of the AIFs and the AIFs' voting as a block in the event several AIFs are concerned. In some cases, however, an AIF may vote differently, depending upon the nature and objective of this particular AIF, the composition of its portfolio, and other factors.

In evaluating proxy proposals, information from many sources is considered, including but not limited to, information received from the investment advisor(s) and/or the investment manager(s) of the AIFs, the management or shareholders of a targeted company or co-investors presenting a proposal, and independent proxy research services. Substantial weight will be given to the recommendations of such targeted company's board, absent guidelines or other specific facts that would support a vote against management. In all cases, however, the ultimate decision rests with the Board of Directors of the AIFM.

4. Records of proxy voting

The AIFM keeps a record of all past proxy voting decisions for a period of five (5) years. A summary description of the actions taken on the basis of those strategies shall be made available to investors, free of charge, upon request.

5. Engagement Policy

This part of the Policy is applicable only to assets held by the AIFs it manages (e.g. shares of the investee company) which are in scope of SRD II.

a) Monitoring of relevant matters

Monitoring relevant matters of companies invested by the AIFs is deemed essential. Such relevant matters include typically areas of increased importance for investors such as business strategy, financial and non financial performance and risk, capital structure, social and environmental impact and corporate governance.

The AIFM monitors these matters usually by reviewing publicly available information on financial information platforms, e.g. financial statements, annual reports, company announcements. In certain cases, the AIFM's analysis may be support by third parties, e.g. research analysts. Moreover, the AIFM has implemented reporting and escalation strategies in case the monitoring activity results in unfavorable findings, e.g. request for deeper analysis, communication to the board of directors of the AIF and/or the investment committee as the case may be.

b) Dialogues with companies

The AIFM also acknowledges that dialogues with companies are important, for example in order to influence the investee company to improve its corporate governance practices, to ensure long-term value creation in the investee company, to promote disclosure standards or any other identified area of concern. Such dialogues can be held directly, e.g. by initiating meetings with the company management, or indirectly, e.g. through the exercise of voting rights. Primarily, the AIFM will focus on the duly exercise of voting rights in accordance with this Policy. If deemed necessary, direct ways of dialogue may be considered additionally.

c) Cooperation with other shareholders

In order to further positively influence investee companies and promote better corporate governance, risk management, performance, disclosure or ESG-related standards or other principles, the AIFM may cooperate with other shareholders of the investee company. The decision whether to cooperate with other shareholders is based on a case by case assessment. Factors influencing this decision may include the view that engaging as a group will be more successful than individual engagement and that the engagement objectives of the collective group are consistent with the AIFM's objectives.

d) Communication with relevant stakeholders

In order to obtain additional information and views that may serve as an input in the AIFM's ongoing engagement with investee companies, the AIFM may communicate with relevant stakeholders such as interest groups, public authorities and institutions, NGO's and "think-tanks". Any communication with relevant stakeholders will be based on a case by case decision but will not be a frequent activity from a current perspective.

e) Conflict of interests

Potential or actual conflicts of interest, that may arise when involving in engagement activities as described in this Engagement Policy, are monitored by the AIFM and are covered by the AIFM's Conflict of Interest Policy.