

# SHAREHOLDER ENGAGEMENT POLICY

ALANTRA EQMC ASSET MANAGEMENT, SGIIC, S.A.

ALANTRA MULTI ASSET, SGIIC, S.A.

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<b>Updated by</b>	Internal Control Unit
<b>Approved by</b>	Board of Directors

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## I. FOREWORD

Alantra EQMC Asset Management, SGIIC S.A. and Alantra Multi Asset, SGIIC S.A. (hereinafter, the **“Management Company”**) have drawn up this shareholder engagement policy to set down the general principles and criteria governing (i) the manner in which the Management Company integrates into its investment policy its involvement in the companies in which the collective investment undertakings it manages, directly or via delegation, invests (hereinafter, the **“Investees”** and **“Funds”**, respectively), in its capacity as shareholder of the Investees, and (ii) the manner in which the rights associated with the Investee shares held by the Funds are exercised.

In the event of discretionary portfolio management, voting rights will be exercised in keeping with the contents of the management agreement.

## II. APPLICABLE LEGISLATION

Notwithstanding any other applicable regulations, this engagement policy has been drawn up in keeping with the following legislation:

- 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, as transposed into Spanish law.
- Spanish Law 35/2003 of 4 November 2003 on collective investment undertakings.
- Spanish Royal Decree 1082/2012 of 13 July 2012 enacting the Regulation implementing Law 35/2003 of 4 November 2003 on collective investment undertakings.
- Spanish Law 22/2014 of 12 November 2014 regulating private equity firms, other closed-end collective investment undertakings and the management companies of closed-end collective investment undertakings, amending Law 35/2003 of 4 November 2003 on collective investment undertakings.
- Spanish Legislative-Royal Decree 1/2010 of 2 July 2010 enacting the consolidated text of the Corporate Enterprises Act.

## III. ENGAGEMENT POLICY

### a. Strategy

The Management Company is obliged to act in the best interests of (i) the unitholders or shareholders (hereinafter, the **“Investors”**) of the Funds it manages and (ii) market integrity. To safeguard its

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Investors' interests, the Management Company believes it should act, on behalf and for the account of the Funds, as an active and responsible shareholder of the Investees in which they hold investments.

The Management Company evaluates each Investee and their management teams continuously and believes that, if done correctly, its involvement with the Investees has the potential to improve their financial and non-financial performance, particularly in the long term.

Supervision of and effective engagement with Investees can have a positive influence on their businesses and strategies and can also, depending on its involvement, provide the Management Company with a better understanding of a specific Investee's strengths and weaknesses. That in turn helps provide the Management Company with a better long-term vision of its Investees.

The Management Company pursues an active investment strategy focused on safe-guarding and increasing the long-term value of the assets under management, framed by its investment policy, guidelines, applicable liquidity requirements and the Investors' investment objectives. Therefore, when it assesses potential investments, the Management Company prioritises long-term investments rather than focusing exclusively on the performance of an Investee in the short term.

Therefore, as part of the due diligence undertaken around any investment, the Management Company appraises, in addition to the strategy, performance, board composition and management quality of an Investee, the potential for a shareholder to become significantly involved with that Investee, verifying also the existence of a coherent and transparent approach to shareholder engagement at the latter.

## **b. Oversight of Investees**

Continuous Investee oversight is a fundamental part of the Management Company's risk management function.

Specifically, the Management Company analyses and reviews the Investees' results, financial and non-financial risks, strategies, capital structures, corporate governance regimes and the social and environmental ramifications of their business activities. Their financial performance is assessed by analysing their earnings and their assets and liabilities in general. The Management Company assesses the rights associated with its equity investments in the Investees, specifically the existence of anti-dilution pre-emptive rights.

The Management Company also takes stock of reinvestment commitments, financial leverage and Investor returns and will analyse any proposed merger or other sale of assets to determine whether the proposed transaction is in its Investors' long-term financial interests.

The Management Company also considers the environmental and social matters related with an Investee's business to determine whether there are significant ESG factors that could influence the

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Investee's growth or the value of the Management Company's investment; it does this both prior to investing and on an ongoing basis throughout the term of its investment. It supervises the Investees' governance practices, paying particular attention to the composition of their boards of directors, the election and re-election of independent directors, officer remuneration and management of conflicts of interest.

The extent to which it monitors each Investee depends on the nature and size of the Management Company's exposure to that Investee. A significant ownership interest results in closer and more frequent supervision than a minority interest.

This oversight role helps the Management Company better understand the challenges and opportunities facing an Investee and may lead the Management Company to become more actively involved, framed by the contents of this policy.

## **c. Engagement and dialogue with Investees**

Engagement with Investees is a core component of the Management Company's investment process as a means to safeguarding and increasing the value of the Investees in which the Funds invest. The Management Company is aware that many decisions that could have a significant impact on the value of an Investee in the long term can be taken without requiring a shareholder vote, which is why it views careful monitoring and effective engagement as crucial.

The engagement strategy followed by the Management Company depends on the investment strategy of the Fund under management, the specific circumstances of the Investee and the size of the investment, among other factors. In sum, engagement with Investees is shaped by the size of the investment in and level of exposure to an Investee, as an insignificant investment does not necessarily warrant devoting resources to active engagement, as it is unlikely the Management Company will be able to have a significant influence over such an Investee.

## **d. Exercising voting rights and other rights associated with shares**

### *Overview*

The Management Company's policy regarding the exercise of voting rights is set down in the "Procedure for the exercise of rights inherent to securities included in portfolios", a copy of which can be retrieved from [www.alantra.com](http://www.alantra.com). The Management Company views voting rights as an important tool for exerting influence over Investees and uses its voting power to push Investees to tackle or take a specific line of initiative or to express its disagreement with a proposed line of initiative. The Management Company always exercises its voting rights in the best interests of the Funds and their Investors.

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The Management Company's general policy is to attend (in person or via proxy) as many shareholder meetings and vote on as many shareholder resolutions as possible. The Management Company itself determines the importance of exercising its right to vote on a particular matter. The pertinent considerations include the percentage ownership interest in the Investee, the size of the investment relative to the portfolio and whether or not a specific investment strategy applies, among others.

## *Proxy advisors*

The Management Company acknowledges that the use of proxy advisors can have a considerable influence on its voting decisions.

In general, even though the Management Company may rely on the research conducted by proxy advisors as a means to identifying potential issues and informing its voting intentions, the final voting decisions are taken "internally" and are not based exclusively on proxy advisor recommendations.

## **e. Cooperation with other shareholders and stakeholders**

In the event that the Management Company has raised an issue individually with an Investee and it considers that the Investee has not taken the required or sufficient measures in response, or when the Management Company believes it would be useful to work with other shareholders to bring about positive change, it may consider, where appropriate, the possibility of collaborating with other shareholders of that Investee. When deciding whether or not to pursue that course of action, the Management Company considers a series of factors, including the identity of the Investee's other shareholders, the size of their shareholdings and whether collective action can reasonably be expected to bring about the desired outcome.

## **f. Conflict of interest management**

In its role as active shareholder and in casting its votes, the Management Company may, in certain circumstances, find itself involved in real or potential conflicts of interest that could influence the outcome of its voting decisions, especially when the Management Company has business relationships with the Investees. Depending on the circumstances, the existence of those conflicts of interest may preclude the Management Company from exercising its right to vote at an Investee.

The Management Company will at all time act in the best interests of the Investors and its decisions will be taken independently of the interests of the Management Company, any other delegated entity or any employee or board member of those entities.

Real and potential conflicts of interest will be managed in accordance with the conflict of interests management policy of the Management Company or its group, as the case may be, in keeping with applicable regulatory requirements.

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## **IV. APPROVAL AND REVIEW OF THE ENGAGEMENT POLICY**

- a. The Management Company will review application of this policy annually, publishing the information required under applicable legislation and any other voluntary information on its website.