

## Strategy for the exercise of voting rights

The sub-funds of CompAM FUND (the “SICAV”) may invest in shares or other securities which may grant the right to exercise a vote. In relation to the exercise of such voting rights, the SICAV shall implement the following strategy:

### 1. System to be used in relation to the exercise of voting rights

The SICAV, for all assets hit by corporate actions, can exercise the proper rights through the web portal [www.MyStatestreet.com](http://www.MyStatestreet.com).

The custodian bank of CompAM FUND, State Street Luxembourg, among the tools contained in their web portal, have also given access to the SICAV and to Compass Asset Management, the SICAV’s investment manager (the “**Investment Manager**”), to a service named “Captain”, where all the corporate actions involving the exercise of a voting right in relation to assets held by the SICAV are listed.

The system requires that an authorized employee with a registered user ID, password and token, logs onto the system and selects the proper choice to deal with the corporate action. A second employee, different from the previous one, has to verify and approve the choice made by the first user.

A report for all choices made can be retrieved from the system.

### 2. Persons authorized to exercise the voting right on behalf of the SICAV (on behalf of its relevant sub-funds)

The exercise of voting rights on behalf of the SICAV (on behalf of its relevant sub-funds) has been allocated to the Investment Manager.

In relation to a sub-fund, the voting rights will be exercised by a portfolio manager in charge of such sub-fund and confirmed by another portfolio manager in charge of the same sub-fund / the chief compliance officer of the Investment Manager/ by any other person to which such power will have been delegated.

### 3. Strategy for the exercise of voting rights

The exercise of voting rights on behalf of the SICAV will be done on the basis of the following guidelines:

- a) **Corporate Governance:** the SICAV will generally vote in favour of the management’s proposed directors in uncontested elections. For contested elections, the SICAV will vote for candidates that, in the SICAV’s opinion, best serve the interests of the sub-fund(s) concerned. The SICAV will further generally vote in favour of the

appointment of external/independent directors at the boards of underlying securities issuers, as the SICAV believes that such directors are beneficial to the development of the relevant securities issuers. The SICAV will oppose to the appointment of any director whom the SICAV, the Investment Manager or any other entity of the Compass Asset Management group considers as unsuitable on the basis of his/her experience or qualifications.

- b) **Takeover Defense and Related Actions:** all proposals will be reviewed on a case by case basis, taking into consideration elements such as the profitability and the best interest of the SICAV's shareholders.
- c) **Mergers/Acquisitions:** all proposals will be reviewed on a case by case basis, taking into consideration elements such as the profitability and the best interest of the SICAV's shareholders
- d) **Directors/Employee compensation:** the SICAV believes that the directors/employee compensations (including bonuses and other extraordinary incentive provisions) are part of the ordinary business and will generally vote in favour of directors/employee compensations at the level of underlying securities issuers. The SICAV will take into consideration the economic position of the security issuer and the rationale behind the relevant directors/employee compensation proposals when deciding how to vote on any such matter.
- e) **Capital Structure:** in the absence of unusual circumstances, the SICAV will vote in favour of proposed increases in authorized capital. Any proposal which involves the issuance of preferred shares or which gives the directors of the security issuer the authority to assign disproportionate voting rights at the time the securities are issued will be subject to reinforced review prior to approval. When deciding how to vote on any proposed restructuring or recapitalization, the SICAV will consider whether the proposed action is the best means of enhancing value for the sub-fund holding the securities and will positively affect the security issuer's long term prospects.
- f) **Compliance with investment objective / policy of the SICAV's sub funds:** the SICAV, when exercising voting rights in relation to securities held by its sub-funds, will always exercise such voting rights in compliance with the investment objective and policy of the relevant sub-fund.
- g) **Conflicts of interest:** the SICAV may find itself in a situation where it has to exercise voting rights in relation to two or more underlying securities issuers with diverging/opposed interests, which may adversely affect a securities issuer and, subsequently, the net asset value of a sub-fund of the SICAV. In such situation, the SICAV will decide on the direction of the votes on a case by case basis evaluating which of the two/more choices will affect less adversely the net asset value of the relevant sub-fund and vote consequently. Any new conflict of interest will be dealt on as per the procedures explained in the conflict of interest policy.

- h) **External advice:** the SICAV may, from time to time, seek recommendations from third-party service providers in relation to the exercise of voting rights; such service providers will be paid out of the assets of the relevant sub-fund(s).

Based on the above, the SICAV is comfortable that voting rights shall be exercised in the best interest of the SICAV, its sub-funds and its shareholders.

#### **4. Information of shareholders**

A summary of the description of the SICAV's strategy for exercising voting rights will be made available to the SICAV's shareholders free of any charge on the SICAV's website; [www.compamfund.com](http://www.compamfund.com).