Voting rights and participation policy

BAO Capital Partners Ltd ("BCP") is authorised and regulated by the Cyprus Securities and Exchange Commission as an Alternative Investment Fund Manager under the Alternative Investment Fund Managers Law 56(I)/2013 (CySEC licence no. AIFM16/56/2013).

BCP acts as delegated portfolio manager to undertakings for collective investment and in that capacity, BCP manages portfolios that include shares admitted to trading on regulated markets within the European Economic Area.

This policy sets out BCP's strategies for the exercise of voting rights and its approach to shareholder engagement in respect of investee companies, in accordance with Article 3g of Directive 2007/36/EC as amended by Directive (EU) 2017/828 (SRD II), and Article 37 of Commission Delegated Regulation (EU) 231/2013 (hereinafter referred to as the "**Policy**").

1. Strategies and Criteria for Exercising Voting Rights

BCP exercises voting rights in respect of EEA-listed shares held in the portfolios it manages where it has been delegated authority to do so under the relevant investment management agreement. Voting decisions are made independently and exclusively in the interests of the investors in the relevant fund and in accordance with applicable fund documents.

BCP exercises voting rights where:

- the aggregate holding in a company, considered across all portfolios managed by BCP, is material to the fund's investment objectives; or
- the matters submitted for shareholder approval includes significant governance, strategic, financial, or material ESG considerations, including but not limited to board composition, executive remuneration, capital structure, related-party transactions and environmental or social impacts that may affect investment value.

BCP may refrain from voting where operational impediments, market restrictions, conflicts of interest, or costs render voting impracticable or disproportionately burdensome relative to expected benefit.

Where portfolio management has been delegated to BCP by a fund manager, BCP directs voting in accordance with this Policy and reports to the fund manager accordingly.

2. Description of BCP's Shareholder Engagement Policy

2.1 Integration of shareholder engagement into investment strategy

BCP integrates shareholder rights into its investment process in respect of EEA-listed equities held in managed portfolios. The exercise of voting rights and, where appropriate, direct engagement with investee companies form part of BCP's stewardship of assets on behalf of fund investors. BCP's investment analysis includes assessment of corporate governance, capital allocation discipline, business strategy, and, where relevant, material environmental and social factors, as inputs to portfolio construction and ongoing monitoring.

2.2 Monitoring of investee companies

BCP monitors investee companies in which managed portfolios hold EEA-listed shares on an ongoing basis, supplemented by periodic internal review cycles. Monitoring covers:

- strategy and business model sustainability;
- operational performance and financial execution;
- non-financial and sustainability-related risks where material to value;
- capital structure, balance sheet strength and risk management;
- social and environmental impact where material to investment value; and
- corporate governance practices and board effectiveness.

Monitoring is conducted through review of mandatory regulatory filings and financial reports, ad hoc regulatory announcements, and where appropriate, internal fundamental analysis and external research. BCP also uses reputable third-party data and analytics providers where necessary.

2.3 Dialogue with investee companies

BCP operates a predominantly non-engagement stewardship model given its investment style, portfolio turnover, and typical minority shareholdings. BCP therefore does not, as a rule, conduct direct bilateral engagement with the management or boards of investee companies and relies principally on publicly available information (such as annual reports, regulatory filings, news releases), and research materials.

Where a material governance, strategic, or risk-related matter arises in a significant holding, BCP may, at its discretion, seek direct communication with the company' management. Any such engagement will be conducted in compliance with applicable market conduct, insider information, and disclosure requirements.

2.4 Exercise of voting rights

BCP exercises voting rights attached to EEA-listed shares held in managed portfolios where it has been granted authority to do so under the relevant investment management agreement. Votes are cast exclusively in the interest of fund investors. BCP does not use proxy advisory services. Votes are cast on a discretionary basis following internal analysis of the relevant agenda items and supporting documentation.

BCP discloses its voting behaviour in the annual implementation statement published on this website, in accordance with Article 3g(2) of SRD II.

2.5 Cooperation with other shareholders

BCP does not enter into coordinated action or formal cooperation arrangements with other shareholders of investee companies. BCP acts independently and exclusively in the interests of the investors in the funds it manages and avoids conduct that could give rise to "acting in concert" implications under market abuse, transparency, or takeover regulations.

2.6 Communication with stakeholders of investee companies

BCP does not engage in direct communication with stakeholders of investee companies (including employees, creditors, or suppliers) as part of its standard investment process. Where any such exceptional communication occurs, it will be disclosed in the annual implementation statement.

2.7 Management of conflicts of interest

BCP maintains a conflicts of interest policy applicable to all its regulated activities, including the exercise of voting rights. Where a potential conflict arises in connection with a voting decision — such as an investee company having a relationship with BCP, its principals, or connected parties — the conflict is identified, recorded, and managed in accordance with BCP's conflicts of interest procedures.
Conflicted voting matters are escalated to compliance and may be decided by an independent function or declined where appropriate. Relevant disclosures are made to the fund managers and, where required, to investors. Directors and relevant employees are subject to personal account dealing and disclosure requirements to mitigate misuse of information or influence.

3. Safeguarding Investor Interests

BCP exercises voting and creditor rights associated with investments in the portfolios it manages independently and exclusively in the interests of the investors in the relevant fund. The investment guidelines and restrictions set out in the fund documents of each mandate are observed in all voting and engagement decisions.

4. Annual Implementation Disclosure

In accordance with Article 3g(2) of SRD II, BCP publishes on its website an annual implementation statement within four months of each calendar year-end. The statement describes how this Policy was applied during the preceding year and includes: a general description of BCP's voting behaviour; an explanation of the most significant votes cast; information on how voting decisions were made; confirmation of whether proxy advisory services were used; details of any engagement activities undertaken, if applicable; disclosures of communication with stakeholders or cooperation with other stakeholders, where relevant; and details of how actual practices align with the strategies and principles set out in this Policy. The Statement covers all portfolios and mandates to which this Policy applies and will be retained on BCP's website for reference.

5. Review

This policy is reviewed at least annually and updated where there has been a material change to BCP's activities, delegated mandates, or applicable regulatory requirements.

6. Contact details

For queries concerning this Policy or its implementation, please contact:

BAO CAPITAL PARTNERS LTD
Diagorou 4
Kermia House, Floor 4. Flat 406
Nicosia, Cyprus
Tel +357 22021606
info@baocapital.com