

VOTING POLICY

AltamarCAM group

VOTING POLICY

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1. INTRODUCTION

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 (hereinafter “SRD II”) and Act 5/2021 of 12 April amending the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 2 July and other financial legislation on the encouragement of long-term shareholder engagement in listed companies as regards asset managers aim to encourage their engagement in the companies in which they invest as shareholders or shareholder managers.

Thus, greater shareholder engagement in corporate governance constitutes one of the instruments that can contribute to improving companies’ financial and non-financial performance, along with their environmental, social and management factors. To achieve this, it is necessary to increase the transparency obligations of engagement activities. Public disclosure of said information may have a positive effect on raising investors’ awareness, facilitate dialogue between companies and their shareholders, encourage the latter’s engagement and improve their accountability to stakeholders and civil society.

2. DEFINITIONS

Fiduciary Duty: A legal obligation of acting in the best interest of the client by avoiding any kind of conflict of interest (duty of loyalty) and acting with due care, skill, and diligence (prudential duty).

Voting Right: Shareholders’ right to vote at General Shareholders’ Meetings (ordinary or extraordinary) on corporate policy matters, including resolutions on the Board of Directors’ composition, initiating corporate actions, making substantial changes to corporations’ operations, etc.

Engagement: The practice of monitoring companies’ behaviour and establishing a dialogue with them, the main aim of which is to increase knowledge about them and promote change in terms of their strategy, risk management, Sustainability Factors, etc.

Sustainability Factors or ESG Factors: All information related to environmental and social issues, along with information concerning the workforce, that is aligned with human rights and combating corruption and bribery.

Important Stakeholders: All shareholders, employees and clients of the investments made by Subject Entities.

Sustainable and Responsible Investment: An investment philosophy which, in addition to taking into account an investment’s profitability and risk, assesses Sustainability Factors.

General Shareholders’ Meeting: An administrative and supervisory body where key decisions are taken on the way companies operate. In the context of this Policy, this concept refers to both ordinary and extraordinary general meetings.

Listed Companies: Companies whose shares are admitted to trading on a regulated market that is located or operates in the European Union, not including (i) companies whose shares are not listed, listed on a market that is not located and does not operate in the European Union or are traded only through multilateral trading systems and systematic internalisers or (ii) fixed-income issuers.

Most Important Votes: Any votes which resolve on issues that are deemed particularly sensitive from a financial or non-financial viewpoint. Such criteria may be implemented from the standpoint of materiality by considering, for instance, (i) the size of the stake and/or the investee's size/sector and (ii) the vote's social, environmental, and corporate governance impact.

Significant Votes: Any Most Important Votes on investments where a stake exceeding 1% of share capital is held, taking into account the investments of all the vehicles managed by the collective investment undertakings' management company. Hence, non-significant votes would be any votes held on purely procedural issues or held in companies in which the investor owns a stake of less than 1%.

3. PURPOSE OF THE POLICY

The management companies of collective investment undertaking must draw up and publish a voting policy (hereinafter, the "Policy") that describes how they integrate their engagement as shareholders or shareholder managers into their investment policy. They must therefore explain how they will exercise, where appropriate, their Voting Rights at the General Shareholders' Meetings of investee companies, especially as regards Most Important Votes.

Hence, the purpose of this Policy is to describe the principles followed by the management companies of collective investment undertakings with regard to exercising Voting Rights in companies in which their investment vehicles hold open positions.

Additionally, responsibility in respect of sustainability issues is essential in the evaluation of investment assets. The principles and guidelines described herein are in line with this approach and are fundamental to encouraging the outstanding long-term performance of the assets managed by collective investment undertaking companies and supplement what is set out in the Sustainable and Responsible Investment Policy (hereinafter "ESG Policy").

This Policy should be interpreted along with the rest of the internal regulations which apply to the entities that have endorsed it.

4. APPLICABLE LEGISLATION

The main legislation which applies is as follows:

- Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC (hereinafter "SRD II").

- Act 5/2021 of 12 April amending the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July and other financial legislation on the encouragement of long-term shareholder engagement in listed companies.
- Act 35/2003 of 4 November on Collective Investment Undertakings.
- Royal Decree 1082/2012 of 13 July approving the Implementing Regulation of Act 35/2003 of 4 November on Collective Investment Undertakings.
- Act 22/2014 of 12 November governing venture capital entities, other closed-end collective investment undertakings and the management companies of closed-end collective investment undertakings and amending Act 35/2003 of 4 November on collective investment undertakings.
- Circular 4/2008 of 11 September issued by the Spanish National Securities Market Commission (CNMV) on the content of collective investment undertakings' quarterly, half-yearly and annual reports.
- Communication issued by the CNMV on 23 June 2016 on the content of collective investment undertakings' period public reporting.
- Furthermore, this policy is also inspired by the best practices contained in international conventions and protocols, codes of conduct and guides which apply to sustainability issues, including among others: (i) the United Nations Principles for Responsible Investment (UN PRI), (ii) the OECD Principles of Corporate Governance, (iii) the United Nations Universal Declaration of Human Rights and (iv) the United Nations Sustainable Development Goals.

5. THIS POLICY'S SCOPE OF APPLICATION

A. OBJECTIVE SCOPE OF APPLICATION

This Policy shall apply to the management companies of collective investment undertakings, more specifically to Altamar Private Equity, S.G.I.I.C., S.A.U. and to Altan Capital, S.G.I.I.C., S.A.U. (hereinafter the "Subject Entities").

B. SUBJECTIVE SCOPE OF APPLICATION

The applicable legislation mentioned above limits the obligation of management companies of collective investment institutions to setting out an engagement policy for investments in Listed Companies. Nonetheless, for the sake of transparency and as a best practice in corporate governance and sustainability issues, the Subject Entities have decided to extend this Policy to cover all investments made by the vehicles they manage (hereinafter the "Vehicles"), apart from Section 8, which shall apply only to investments made in Listed Companies by the Vehicles.

6. ENGAGEMENT IN ALTAMARCAM

A. ENGAGEMENT IN INVESTMENTS

The Subject Entities are entitled to corporate rights that are inherent to the investments they make through Vehicles and have the Fiduciary Duty of acting in the best interest of their investors when exercising them.

The Subject Entities shall therefore exercise their Voting Rights based on their investment policy and in accordance with a medium to long-term assessment of the investments' performance. They shall also take into account the investment's potential risks and consider not only financial aspects, but also environmental, social and good governance aspects. Likewise, all the Engagement activities that the Subject Entities have carried out with investment managers shall be considered, as shall the relationship with Important Stakeholders.

To sum up, all the aspects needed to take the best decisions and cast a suitable vote shall be taken into account in order to optimise the investments' profitability and avoid any potential risks associated to said investments, while always putting the interests of investors first.

Moreover, in order to encourage the investments' good corporate governance, the Subject Entities shall at all times promote the necessary mechanisms to establish a dialogue with the managers of said investments and maintain communications and cooperate with Important Stakeholders.

The most common Engagement activities performed by the Subject Entities are as follows:

A.1. Engagement in Underlying Funds or Vehiculated Co-Investments

As management companies of collective investment undertakings, the Subject Entities manage Vehicles which generally invest in other underlying funds (hereinafter "UFs"). Certain investment decisions as well as other decisions which are deemed relevant are taken either through Limited Partners Advisory Committees ("LPAC") or similar bodies, or through a vote of all the UF's unitholders.

The Subject Entities may form part of the LPAC of the UFs held in the Vehicles' portfolio, sometimes as observers and at other times as members with voting rights. Given that LPAC members are usually elected on the basis of the size of their investment commitments, this situation is common when the commitment made by the Vehicles managed by the Subject Entities in the UF is significant in relation to the UF's total size.

LPACs operate as management control bodies of UFs and safeguard the interests of all unitholders. Some of their main obligations include holding quarterly or annual meetings at which information is provided about the UFs' progress and possible conflicts of interest are resolved, opinions about investment decisions are voiced and other issues concerning the UF are discussed.

The added value generated by the Subject Entities' presence in LPACs is having early and more detailed information available (e.g., information on the UFs' valuation), as well as being able to express an opinion on decisions affecting the UFs.

Each time the Subject Entities participate in a decision concerning an UF, whether through the LPAC or through a vote in which all unitholders take part, the Investment Department shall take the pertinent decision, except in the most relevant cases, in which case the Investment Committee shall take the decisions.

This same process applies to any cases in which the Vehicles hold a stake in an unlisted company, but the investment is vehiculated, in other words, where it does not involve a direct acquisition of shares.

A.2. Engagement in Unlisted Companies

In any cases where the Vehicles hold a direct stake in an unlisted company, they will form part of the General Shareholders' Meeting and may request to sit on the company's Board of Directors.

The Investment Department shall be in charge of taking decisions regarding the companies. Nevertheless, where the vote is related to an investment or divestment process, it shall be raised to the Investment Committee.

A.3. Engagement in Listed Companies

Generally speaking, the Vehicles' investment policies do not envisage investing in companies listed on regulated markets. Despite this, there are exceptional cases in which Listed Companies can be found in the Vehicles' portfolio:

Indirect investment:

An UF may temporarily maintain an investment in a Listed Company, usually as a result of an IPO. As unitholders of the UF, the Vehicles will indirectly hold a stake in the Listed Company through the units in the UF. They will therefore not be entitled to Voting Rights.

Direct investment:

Two reasons can be found for this:

- Where an UF carries out a distribution in kind, a Vehicle may obtain shares in a Listed Company.
In this case, the policy is to sell the holding in the Listed Company as soon as possible. It is therefore highly unlikely that they might exercise the Voting Rights.
- The Vehicle's holding in a Listed Company as part of its investment policy.
In this case, the Vehicle's Investment Committee shall decide on how to exercise the Voting Right, which shall always be done according to Section 6.A of this Policy.

B. ENVIRONMENTAL AND SOCIAL ASPECTS

The Subject Entities consider that exercising Voting Rights grants them the opportunity of encouraging companies to abide by good governance, environmental and social best practices. They therefore pay special attention to this kind of votes. The Subject Entities' voting guidelines

are aimed at encouraging companies to consider non-financial aspects, since a better risk assessment is achieved by taking these environmental, social, and good governance criteria into account.

As far as resolutions on social and environmental aspects are concerned, decision-making shall be carried out according to the considerations set out in Section 6.A. In this regard, the Investment Department shall conduct an internal analysis in conjunction with the Head of ESG, thereby ensuring compliance with the Subject Entities' ESG and protecting the interest of investors. For any of the most relevant decisions that so require it, the Head of ESG shall validate that decision with the ESG Committee.

C. MONITORING INVESTMENTS

The Subject Entities' Investment Department takes a proactive approach to monitoring the investments which make up the Vehicles' portfolios.

Furthermore, the Subject Entities' Operations Department monitors the valuations of the UFs and companies in which the Vehicles invest and analyses their progress by taking cash flows into account each quarter. The reasons for variations are studied and accounted for by using the UFs' quarterly reports as support, where the underlying companies' progress, market impact and the management are described.

As far as non-financial or sustainability monitoring are concerned, the Subject Entities' Investment Department and the ESG team monitor the UFs' progress in sustainability issues through the following ways:

- Updating the ESG Due Diligence Questionnaire: A system for updating the questionnaire has been set up by using the internal scoring model's conclusions as a reference, thus supporting the Engagement work done in conjunction with UF managers and thereby fostering sustainability practices in the industry.
- ESG Information at Annual Meetings: Investment Department members who attend the Annual Meetings of UFs gather any sustainability information dealt with at such events. Each UF's degree of commitment to Sustainable and Responsible Investment is checked in this way and their progress is monitored every year.
- UF reporting review: As part of the Side Letter, the Subject Entities formally request UFs to disclose periodic reporting on the inclusion of sustainability criteria in their investment policies. This information on sustainability issues must include, among other aspects, the progress achieved, risks and opportunities that have been identified in investee companies, etc.
- External sources or suppliers.

Financial and non-financial monitoring of the Vehicle's investments is carried out on a frequent basis. All the information thus gathered simplifies and improves decision-making tasks having to do with Voting Rights, since it allows the Subject Entities to gain up-to-date knowledge about their investments in greater detail, while also allowing them to have more market insight.

7. PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

The Subject Entities abide by an Internal Code of Conduct that sets out the mechanisms and processes needed to detect, manage, and avoid any possible conflicts of interest which may arise during the investment process.

8. ENGAGEMENT POSTING

The Subject Entities promote transparency and the appropriate disclosure of information in a timely way that allows for informed decision-making. That is why this Policy is made publicly available on the Subject Entities' website.

Moreover, the Subject Entities shall post information on their website about this Policy's implementation on an annual basis for each complete year, including a general description of their behaviour as regards their Voting Rights in the Listed Companies in which they have cast Significant Votes.

The Risk and Compliance Unit shall therefore identify on an annual basis any Listed Companies in which we jointly hold a stake exceeding 1% among all the vehicles managed by the Subject Entities and shall analyse in conjunction with the Investment Department whether any Significant Votes have been held in said companies. If these conditions are met, it shall post the content and description of the Voting Rights on the Subject Entity's website.

In addition, pursuant to the obligation set forth in Article 115(1)(i) of Royal Decree 1082/2012 of 13 July approving the Implementing Regulation of Act 35/2003 of 4 November on Collective Investment Undertakings, information shall be provided on this Policy and on the manner votes have been cast, where applicable, through the Collective Investment Undertakings' annual report.

9. TRAINING AND AWARENESS RAISING

The Risk and Compliance Unit shall be in charge of implementing any training measures which may turn out to be necessary concerning this Policy to ensure it is properly known and fulfilled by all the AltamarCAM group areas involved.

10. THE POLICY'S APPROVAL AND AMENDMENT

The Subject Entities' Boards of Directors shall hold responsibility for approving the Policy and its amendments.

The Risk and Compliance Unit shall hold responsibility for keeping this Policy updated and putting forward to the Boards of Directors any amendments to it that may be necessary.