

## PROCEDURE FOR THE EXERCISE OF VOTING RIGHTS

09 January 2018

This Policy (hereinafter: “**Policy**”) sets forth principles fund management company AS Trigon Asset Management (hereinafter “**Trigon**”) follows when exercising the voting rights (hereinafter “**Voting rights**”) attached to the securities held in Fund<sup>1</sup>'s portfolios.

1. In exercising the Voting rights and in deciding whether to vote or refrain from voting, Trigon is guided by the principle of acting in the long-term best interests of the relevant Fund, taking into account the cost-benefit analysis, the advantage that voting would bring to the Fund's portfolio, the investment objectives and policy of the relevant Fund.
2. In order to exercise the Voting rights, fund manager or a person delegated by Trigon monitors relevant corporate events on the basis of the notices available in the major information channels used by Trigon (e.g. Bloomberg, stock exchange information systems) and via the custodian banks.
3. Voting rights are usually exercised at shareholders' meetings by attending physically, granting power of attorney or sending a postal vote.
4. Trigon aims to exercise the Voting rights with respect to companies in which the Fund holds significant positions, i.e. through the Fund Trigon holds 3% or more of the capital of the company. Trigon exercises Voting rights for companies in which the Funds hold position that is under 3% of the capital of the company only in exceptional cases.
5. Trigon generally exercises the Voting rights where there is a potential risk of companies changing their strategy. E.g. acquisition, merger, restructuring, changes in the management, deciding upon significant extraordinary operations. Generally Trigon does not participate in voting in the cases routine operations are decided upon, on the condition that such inactivity does not harm the long-term interests of the Fund, nor does Trigon participate in voting if the activities of the companies decided upon do not have an effect on the interests of the Funds or if Trigon's vote does not have impact on the result.
6. The final decision regarding exercising the specific Voting rights is made by the fund manager. The fund manager determines whether and how to vote with regards to each agenda item as well as the specific issues to be presented in the interest of the Funds, independently from any inappropriate influence.
7. In exercising the Voting rights Trigon will not put its own interests ahead of those of any Fund and will resolve any possible conflicts between its interests and those of the Fund in favor of the Fund. In the event that a potential conflict of interest arises, Trigon will undertake the below analysis.
8. To specify if the conflict of interests is material or not the following analyze shall be conducted. A conflict of interest will be considered material to the extent that it is determined that the conflict has the potential to influence Trigon's decision making in exercising the Voting rights. If such a material conflict is deemed to exist, Trigon will refrain completely from exercising the Voting rights and will instead refer that vote to an outside service for its independent consideration. If it is determined that any such conflict or potential conflict is not material, Trigon may exercise the Voting rights.
9. Trigon documents the relevant decision process for exercising the Voting rights as well as the reasons for the decisions made. Investors have the right to ask specific information regarding the implementation of this strategy.

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<sup>1</sup> Fund is defined as each investment fund Trigon manages or renders investment management services.

10. Trigon monitors the efficacy of the measures applied to exercising the Voting rights and reviews this strategy at least once a year.
11. This Policy and any future updates are made available on Trigon's web page [www.trigoncapital.com](http://www.trigoncapital.com).