



# KARTESIA

KARTESIA MANAGEMENT S.à r.l.

## VOTING RIGHTS POLICY

**Date of approval  
by the  
Management Board:** 25/05/2022

**Version:** 3.0.

**Authors:** Camille Wisniewski  
Conducting Officer  
Compliance Officer  
Kartesia Management S.à r.l.



## Contents

<b>1) Kartesia Management S.à r.l. – Overview</b>	<b>3</b>
a) Permitted business	3
b) Business model	3
<b>2) Purpose and scope of the Policy</b>	<b>4</b>
a) Purpose	4
b) Scope	5
<b>3) Main applicable laws and regulations</b>	<b>5</b>
<b>4) Voting rights principles</b>	<b>5</b>
a) General principles	5
b) Environmental, social and governance criteria	6
c) Audited annual accounts	7
d) Directors' liabilities	7
e) Debt issuance	7
f) Conflicts of interests	7
<b>5) Disclosure to investors</b>	<b>8</b>



# KARTESIA

## 1) Kartesia Management S.à r.l. – Overview

### a) Permitted business

Kartesia Management S.à r.l. (hereinafter referred to as “the Company”) is licensed by the *Commission de Surveillance du Secteur Financier* (hereinafter referred to as the “CSSF”) as (i) a management company as per the provisions of Chapter 16 of the Law of December 17<sup>th</sup>, 2010 relating to undertakings for collective investment, as amended (hereinafter referred to as the “UCI Law”), and as (ii) an alternative investment fund manager as per the provisions of the Law of July 12<sup>th</sup>, 2013 on alternative investment fund managers (hereinafter referred to as the “AIFM Law”). Accordingly, the Company is what is commonly known as a ‘Chapter 16 management company’ and an ‘AIFM’.

The Company is the parent company of two subsidiaries, one located in Brussels, namely Kartesia Belgium N.V./S.A., and the other one located in London, namely Kartesia UK Ltd.

Kartesia UK is licensed as investment firm under the regime of the second Markets in Financial Instruments Directive; thus, it is what is commonly known as ‘MIFID firms’. Kartesia Belgium is licensed as an “agent in investments services” under Belgian law.

The two subsidiaries are supervised by their respective local financial services regulators, namely the Financial Services and Markets Authority (FSMA) for Kartesia Belgium N.V./S.A. and the Financial Conduct Authority (FCA) for Kartesia UK Ltd.

In addition, the Company also operate three branches located in, respectively, Munich, Paris and Madrid.

These three branches are supervised by the local financial services regulators in their respective countries of establishment, namely the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin) for the German branch, the *Autorité des Marchés Financiers* (AMF) for the French branch and the *Comisión Nacional del Mercado de Valores* (CNMV) for the Spanish branch.

### b) Business model

At the time of issue of this Policy, the Company acts as a Chapter 16 management company/AIFM in respect of the following investment funds governed by the laws of the Grand-Duchy of Luxembourg, as follows:

- Kartesia Credit Opportunities III S.C.A., SICAV-SIF, an investment company with variable capital and a specialised investment fund (*fonds d’investissement spécialisé*) governed by the Law of February 13<sup>th</sup>, 2007 relating to specialised investment funds
- Kartesia Credit Opportunities IV SCS, a common limited partnership (*société en commandite simple*) governed by (i) the Law of August 10<sup>th</sup>, 1915 on commercial companies, as amended (hereinafter referred to as the “Commercial Companies Law”), and (ii) the AIFM Law



- Kartesia Senior Opportunities I SCS SICAV RAIF, a common limited partnership (*société en commandite simple*) governed by (i) the AIFM Law and (ii) the Law of July 23<sup>th</sup>, 2016 on reserved alternative investment funds;
- Kartesia Credit Opportunities V SCS, a common limited partnership (*société en commandite simple*) governed by (i) the Commercial Companies Law and (ii) the AIFM Law
- Kartesia Credit Opportunities V Feeder SCS, a common limited partnership (*société en commandite simple*) governed by the Commercial Companies Law, and (ii) the AIFM Law
- Kartesia Credit FFS, a French specialised financing vehicle (*organisme de financement spécialisé*)
- Kartesia Multi-Strategies SCS SICAV-RAIF (anc. KASS Levered), a common limited partnership (*société en commandite simple*) governed by (i) the AIFM Law and (ii) the Law of July 23<sup>th</sup>, 2016 on reserved alternative investment funds
- Kartesia Impact Fund I SCS, common limited partnership (*société en commandite simple*) governed by (i) the Commercial Companies Law and (ii) the AIFM Law
- Kartesia Senior Opportunities II SCS SICAV RAIF, a common limited partnership (*société en commandite simple*) governed by (i) the AIFM Law and (ii) the Law of July 23<sup>th</sup>, 2016 on reserved alternative investment funds

Kartesia Credit Opportunities III S.C.A., SICAV-SIF, Kartesia Credit Opportunities IV SCS, Kartesia Senior Opportunities I SCS SICAV RAIF, Kartesia Credit Opportunities V SCS, Kartesia Credit Opportunities V Feeder SCS, Kartesia Credit FFS, Kartesia Multi-Strategies SCS SICAV-RAIF, Kartesia Impact Fund I SCS and Kartesia Senior Opportunities II SCS SICAV RAIF are hereinafter referred to as the “Funds”.

As a Chapter 16 management company/AIFM, the Company is authorised to perform all the core activities detailed in Annex II of the UCI Law and in Annex I of the Company Law, namely portfolio management and risk management, administration and marketing.

With reference to the foregoing, the business model implemented by the Company in its capacity as a Chapter 16 management company/AIFM is such that most administration activities are typically delegated to third parties, either by the Company itself or by the general partners of the Funds (acting on their behalf), while the Company focuses on portfolio management and risk management activities, as well as on marketing.

## **2) Purpose and scope of the Policy**

### **a) Purpose**

The purpose of this Policy is to set out key principles and standards regarding voting rights strategies which are aimed at ensuring that the exercise of voting rights attached to the financial instruments held in the portfolios of the Funds for which the Company acts as a Chapter 16 management company/AIFM is conducted in accordance with the investment



objectives and restrictions of the said Funds, while preventing or managing any conflict of interests arising from such exercise.

## **b) Scope**

This Policy applies to (i) the Conducting Officers of the Company; (ii) all employees of the Company without restriction -thus to employees with a permanent employment contract and to employees with a fixed term employment contract, as well as graduate trainees; this Policy will also apply to (iii) the subsidiaries and the branches, (iv) all employees of the subsidiaries and the branches -thus to employees with a permanent employment contract and to employees with a fixed term employment contract, as well as graduate trainees (all such individuals are hereinafter referred to as the “Employees”).

## **3) Main applicable laws and regulations**

With regards to voting rights, the Company’s operations are mainly governed by the following laws, rules and regulations:

### **European Union**

#### ***Regulation***

Commission Delegated Regulation (EU) No 231/2013 of December 19<sup>th</sup>, 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.

### **Grand-Duchy of Luxembourg**

#### ***Law***

- The UCI Law.
- The AIFM Law.

#### ***Circular issued by the CSSF***

CSSF Circular 18/698 of August 23<sup>rd</sup>, 2018 on the authorisation and organisation of investment fund managers incorporated under Luxembourg law, and on specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent.

## **4) Voting rights principles**

### **a) General principles**

The Company is a specialist asset manager focusing on private equity.



Specifically, the Funds' assets are made of (i) investments in the private debt of small and middle-market companies -it being understood that for the purpose of this Policy the companies to which the Funds seek to have economic exposure are referred to as "Portfolio Companies", while the companies into which the Funds invest are referred to as Target companies, and (ii) investments in collateralized loan obligations.

Accordingly, the number of occasions in which the Company is engaged in exercising its voting rights is limited.

Where this may occur is typically with regard to investments made by the Company's Funds (or by special purpose vehicles on behalf of the said Funds) in (i) either convertible bonds or high yield bonds issued by the Portfolio Companies, where an investment may in some circumstances take on formal voting rights, or in (ii) shares issued by the Target Companies.

It is the policy of the Company to vote rights at bondholders'/shareholders' meetings of the Portfolio Companies/Target Companies in a prudent and diligent manner, based exclusively on its reasonable judgement of what will best serve the interests of the Funds/their investors, as the latter are the beneficial owners of the financial instruments held in the portfolios of the Funds.

In addition, and so far as is practicable, it is the Company policy to vote at all of the bondholders'/shareholders' meetings called by the Portfolio Companies/Target Companies in which investments are made on behalf of the Funds. However, the Company may also choose not to vote where voting may be detrimental to the interests of the Funds/their investors, such as high administrative costs associated with voting.

Finally, it should be noted that the Company scrutinises every bondholders'/shareholders' meeting of the Portfolio Companies/Target Companies individually, voting for or against each resolution, or actively withholding its vote, on a case-by-case basis.

## **b) Environmental, social and governance criteria**

In line with the Kartesia Group's Corporate Social Responsibility Policy, the Company aims to using its influence as an investor to promote a commitment regarding environmental, social and governance (hereinafter referred to as the "ESG") criteria from the Portfolio Companies/Target Companies.

Consequently, the integration by the Company of ESG criteria into its investment process also translates into how the Company exercises its voting rights.

Typically, regarding the governance component of ESG criteria, the Company when voting at bondholders'/shareholders' meetings focuses primarily on decisions which are related to standard corporate governance matters, thus voting for or, as the case may be, against,



recommendations made by the senior management team of the Portfolio Companies/Target Companies.

The following are the core corporate governance-related voting rights principles of the Company.

**c) Audited annual accounts**

Audited annual accounts of the Portfolio Companies/Target Companies should be made public to bondholders/shareholders in a timely manner, and in any event in line with the applicable disclosure requirements imposed under the rules and regulations of the countries where the Portfolio Companies/Target Companies have their registered offices.

These accounts should meet accepted accounting standards, such as those of the International Accounting Standards Board (IASB).

**d) Directors' liabilities**

The Company will usually vote against discharging the Boards of Directors of the Portfolio Companies/Target Companies from responsibility in case of pending litigation, or if there is evidence of wrongdoing for which the Boards must be held accountable.

**e) Debt issuance**

The Company will vote against any debt issuance which would result in the Portfolio Companies/Target Companies reaching an unacceptable level of financial leverage (on the basis of an assessment performed using the weighted average cost of capital (WACC) measurement).

**f) Conflicts of interests**

The Company recognises the importance of managing potential conflicts of interests on behalf of the investors of the Funds which it manages when voting their financial instruments and engaging with the Portfolio Companies.

The Company is part of the Kartesia Group, i.e. an independent asset manager which is not attached to a larger financial services group. Still, conflicts may arise in various circumstances, such as when the Company or an Employee has an interest in a Portfolio Company that is distinct from the interests of Funds' investors, or when an investor in the Funds or another client of the Kartesia Group is also a Portfolio Company/Target Company. In the latter case, there will be close engagement with the Portfolio Company/Target Company, including where



# KARTESIA

the issue may relate to a voting matter, and the Company will ultimately vote in the best interests of the Funds whose portfolios hold financial instruments of the relevant Portfolio Company/Target Company.

## **5) Disclosure to investors**

As per the provisions of Point 395 of CSSF Circular 18/698, the Company will arrange for this Policy to be posted on the Kartesia Group Website (<https://www.kartesia.com/Legal and Regulatory Information>), so as to facilitate its access to Funds' investors.