

VOTING POLICY

October 2018

A. Scope

This policy applies to investments held by funds for which Quaero Capital SA (the “Company”) has been appointed investment manager and are listed in Annex 1. Where the Company has delegated the investment discretion to its affiliates, the Company will ensure that this policy is applied by its affiliates.

B. Objective

The purpose of this policy is to set out the guidelines for the exercising of voting rights in respect of securities in which the Company invests for and on behalf of funds. This policy is designed to ensure that where the Company has the authority to vote proxies, the Company complies with its legal, fiduciary and contractual obligations. In particular, pursuant to Section 23 of the Federal Act on Collective Investment Schemes and the SFAMA Code of Conduct, the Company has a duty to vote independently and solely in the best interests of its clients.

C. Policy

1. General principles

The Company views proxy voting as an integral part of its investment management responsibilities. Proxy voting and the analysis of corporate governance and corporate responsibility issues are important elements of the portfolio management services.

QUAERO CAPITAL has established a series of principles to be applied by Portfolio Managers when exercising voting rights attached to securities within the funds.

These principles are as follows:

- to act in the best interest of the funds;
- to act independently from any conflict of interest relating to the security being voted
- to ensure voting rights are exercised in accordance with the portfolio’s objectives and investment policies
- to take into account any costs associated with voting (including but not limited to high administrative costs or share blocking requirements that “lock up” securities, which would limit liquidity or access to market opportunities).

QUAERO CAPITAL may therefore choose to vote or refrain from voting, taking into account these overall principles on a case by case basis when applying the Voting Guidelines (as defined below).

2. Applicable Rules

a. Voting Guidelines

Proxy voting will be exercised taking into the Voting Guidelines set forth in Appendix 1 (the Voting Guidelines). The ESG Analyst is responsible for ensuring that Voting Guidelines are kept up to date where necessary to reflect changes in circumstances and actual practice and properly stored.

The Company may supplement its internal research with external advisory services, such as proxy advisory firms. However, unless otherwise set forth herein, the Company will retain full and independent discretion with respect to proxy voting decisions.

Voting Guidelines describe the Company's general positions on various issues but are not intended to be exhaustive or prescriptive. Each Portfolio Manager retains ultimate discretion to vote.

Under normal circumstances, the Company will not vote on the following cases:

- Share-blocking requirements;
- When a position is engaged in securities lending;
- When meeting attendance is required to vote;
- When the disclosure of beneficial ownership is required to vote;
- In relation to securities held by systematic funds;
- In case of an investment in a fund.

b. Voting Process

Proxy voting will be completed through an online platform by the Portfolio Manager of each fund with the support of the ESG Analyst.

c. Record Keeping

The ESG Analyst will maintain:

- A record of each proxy executed and the reasons behind each voting decision if such decision was inconsistent with the Voting Guidelines
- A record of each proxy abstained and the reason behind the abstention

3. Conflicts of interest

a. Firm level:

When evaluating any given proxy, the portfolio management team will consider whether or not there is a potential conflict relating to the security being voted, including but not limited to the following:

- A Portfolio Manager or member of Management of QUAERO CAPITAL is also a board member or major shareholder of the issuer of the security being voted;
- A large client of QUAERO CAPITAL is also a board member or major shareholder of the issuer of the security being voted;

Any such conflict of interest will be notified to the Chief Compliance Officer. If CCO deems the conflict to be material, CCO will determine whether the vote proposed by the Portfolio Manager is in the best interests of the Fund. If the CCO cannot conclusively determine that the vote is in the best interest of the Fund, CCO may recommend to refrain from voting or seek the advice of an independent third-party service to provide the proxy voting recommendation. The process will be documented by the CCO.

b. Personal level:

There may be occasions where a QUAERO CAPITAL employee has a known personal relationship with corporate directors, corporate director candidates or other roles on a company board.

All QUAERO CAPITAL employees with proxy voting responsibilities are required to report any known personal conflicts of interests regarding proxy issues with which they are involved. In such instances, the Chief Compliance Officer will log the conflict of interest and review the Portfolio Manger's decision on the vote.

4. Reporting

Once a year, the ESG Analyst will prepare a report to the Management Committee detailing voting undertaken by the Company, highlighting the % of votes completed, as well as when and why votes have been taken against board recommendation and/or Voting Guidelines.

Said report should also be made available to the Management Companies of the funds upon request.

5. Class actions

The Company will not take part in class actions.

ANNEX 1

List of funds

- Quaero Capital Funds (Lux) FUNDS - Argonaut Fund
- Quaero Capital Funds (Lux) FUNDS - Smaller European Companies
- Quaero Capital Funds (Lux) FUNDS - New Europe
- Quaero Capital Funds (Lux) FUNDS - Infrastructure Securities
- Quaero Capital Funds (CH) FUNDS – Swiss Companies
- Tiburon Funds Plc – Tiburon Taiko Fund

APPENDIX – PROXY VOTING PRINCIPLES

1. Financial statements & audit approval

QUAERO CAPITAL will approve accounts so long as there is no reason to question their reliability. QUAERO CAPITAL will vote to approve auditors when we regard them as independent.

2. Board of Directors

QUAERO CAPITAL supports resolutions that promote the effectiveness of boards in acting in the best interest of shareholders. This includes consideration of independence, experience, diversity and aligned interests.

3. Executive Compensation

QUAERO CAPITAL supports compensations packages that ensure alignment of interest between the executives and shareholders. Performance incentives should be long-term in nature and should include equity allocation. Compensation packages considered excessive will not be supported.

4. Share issuance

QUAERO CAPITAL will vote according to the interest of current shareholders, and will look to avoid risk of dilution of shares. There may be instances where share issuance is beneficial, when used for employee incentives for example. QUAERO CAPITAL will review each situation on a case-by-case basis.

5. Mergers & Acquisitions

QUAERO CAPITAL will review each situation on a case-by-case basis, considering strategic, financial and governance risks and benefits associated with the transaction.

6. Environmental and Social Issues

Where it aligns with the best interests of shareholders, QUAERO CAPITAL will vote to encourage companies to increase transparency regarding their environmental and social policies and impacts.

APPENDIX – PROXY VOTING GUIDELINES

Operational Items

Financial statement, director report and audit approval

We will vote against approval of the accounts when:

- The date of publication does not allow proxy voting shareholders sufficient time to review the information prior to the vote
- There are concerns on reliability of the accounts or followed procedures

Appointment and compensation of auditors

We will vote against the appointment and compensation if:

- There are serious concerns about the procedures used by the auditor
- The auditors are being changed without explanation
- When issues regarding the tenure, fees and independence of the auditors are not in line with best market practice

Board of Directors

Board structure

We favour the separation of the Chairman and Chief Executive Officer roles and will vote accordingly. We do, however, recognise the combination of the roles may be called for in certain situations. For smaller companies the separation of the two roles may not be the most effective structure.

Additionally we take a flexible stance on board structure and composition when investing in companies with a controlling founding family ownership. Often this results in the CEO and Chairman roles to be held by the same person, and it can also result in fewer independent directors on the board than would otherwise be preferable. We believe the benefits of these founding, long-term investors outweigh the corporate governance risks.

Board Composition

The Board of Directors provides strategic direction for a company, and therefore benefits from the diversity and expanse of experience. We encourage companies to recruit board members from a variety of backgrounds and ethnicities, and to make every effort to recruit women to levels of fair representation.

We prefer boards where:

- Majority non-executive directors, majority of which should be independent
- An independent lead director is appointed when the role of CEO and Chairman are combined
- Size range from 5 to 18
- There is diversity of gender, age, nationality, educational background and experience

We review nominated directors on a case-by-case basis, and will vote accordingly.

We consider a director independent if he/she:

- Is neither a salaried employee or corporate officer of the company, and has not been for the past 5 years
- Is neither a salaried employee nor corporate officer of a significant shareholder
- Is neither an employee nor a corporate officer of a significant partner
- Has no family ties with a member of the executive management or a director
- Has not been a statutory auditor of the company during the past 5 years
- Has not been a member of the board of directors for over 12 years

Board Committees

We believe it is particularly important that there exist three specialised committees that report to the board: an Audit committee, Nomination Committee and Compensation Committee.

Due to the important role played by the Audit Committee in preventing conflicts of interest when auditing accounts statements, internal control procedures and the choice of statutory auditors, we recommend at least a majority of the committee members are independent. If this is not the case, we will consider voting against a director nomination.

To be free of conflicts of interest, the compensation committee chairperson and the majority of its members should be independent. If this is not the case, we will consider voting against a director nomination.

For those companies that are small to medium sized, we encourage the establishment of such committees when possible.

Executive Compensation

We believe that a properly constructed compensation plan should include equity ownership in order to align management incentives with those of shareholders.

We prefer compensation plans with sufficient weight to long-term over short-term performance, and vote against plans that are overly dilutive or that appear excessive. We also expect transparency over how bonuses are granted and against which performance targets.

Other elements we will review and consider when voting are:

- Sufficient disclosure on remuneration practices
- Remuneration that appears excessive
- Concerns about board accountability

We will consider voting against the proposed remuneration policy if:

- Performance targets are changed retrospectively
- Substantial one-off payments are made without performance criteria
- Golden handshakes / parachutes

We consider severance arrangements on a case by case basis.

Allocation of Income and Corporate Actions

Allocation of income

We recommend shareholder return policies that are consistent with a company's earnings and leverage, and that are to the benefit of shareholders. We will vote against the return of capital to shareholders when it seems to go against the long-term interests of the company, often when we see a history of poor capital management.

Corporate actions

We generally approve the following requests:

- Share issuance with pre-emptive rights for less than 100% over issued capital
- Share issuance without pre-emptive rights and no mandatory priority period, within a limit of 10% of the issued capital when the proceeds are not intended for a specific purpose
- Share repurchase plans, within a limit of 10% over currently outstanding capital

We vote against requests to increase capital in the event of demand exceeding amounts submitted to shareholder vote, that would lead to a breach of the maximum dilution thresholds set above.

We review proposals to approve debt issuance, or to reduce capital, on a case by case basis.

Mergers & Acquisitions

We vote to approve mergers and acquisitions, unless:

- There is insufficient information provided to make an informed decision
- Voting rights are altered disproportionately
- The structure following the activity does not display good governance
- The merger appears to not be in the best interest of the shareholders

Authorities impacting the share capital that can be used during a takeover period

In the event of a public offer, we believe it is down to shareholders to make their decision on a case-by-case basis. We will therefore oppose anti-takeover mechanisms.

Share issuances reserved for a category of investors

We are not in favour of routine requests for share issuances without pre-emptive rights and reserved for specific beneficiaries unless the company can provide specific justification. We would consider such requests on a case-by-case basis.

Share issuances reserved for employees

We encourage employee stock ownership, and therefore set no limits to their ownership of capital. We vote in favour of capital increases reserved for employees, providing the following conditions are respected:

- The discount does not exceed 20%
- The volume of shares awarded remains under a threshold set at 10% of outstanding capital

General Corporate Governance Matters

Bundled proposals

We are not in favour of bundling together proposals that could be presented as separate voting items.

Voting rights attached to shares

To ensure the equal treatment of shareholders, we support the ‘one share one vote’ principle.

Shareholder loyalty schemes

We encourage long-term ownership, and are therefore in favour of bonus dividends or loyalty shares for shareholders who hold their shares for two years or more.

Social and Environmental Issues

We expect companies to report information regarding environmental and social issues of sufficient importance to the business. We may vote against approval of an annual report which does not meet these expectations.

We are in favour of resolutions that encourage a company to improve its environmental and social practices, as long as they are in the interests of shareholders. Good social and environmental responsibility enhances a company’s chances of long-term success and may be to the benefit of shareholders.

These resolutions are analysed on a case-by-case basis.