

Proxy Voting Policy

JK Capital Management Ltd understands that proxy voting is a critical right of shareholders that must be implemented diligently and carefully in order to protect investors' interests. We believe that active voting is an essential part of ownership responsibilities and we view it as part and parcel of our investment process which has value creation as its ultimate goal.

The following policies summarise the guidelines we diligently take into account in the process of active voting. Proxy voting is systematically enforced at Annual General Meetings, Extraordinary General Meetings and any other Special Meetings. This policy is applicable to all voting decisions emerging from the ownership rights of JK Capital's equity funds.

Proxy voting is at the heart of JK Capital's engagement strategy. By expressing our voting rights, we seek to promote dialogue between board members and company shareholders. Addressing management decision proactively has proven to be positively correlated to business efficiency.

Voting principle:

JK Capital does not have a systematic voting process based on the type of proposal submitted to shareholders. Hence, neither "FOR", "ABSTAIN" or "AGAINST" votes are pre-assigned to any type of voting submission. Any proposal submitted to a vote will be carefully examined by the analyst covering the company who will provide a case-by-case recommendation.

Proxy voting process:

JK Capital Management has partnered with Proxyedge Broadridge® to assure an efficient proxy voting process. The online platform lets JKCM's analysts register votes and access all necessary resources. The service includes the electronic delivery of ballots and full compliance with regulatory requirements regarding vote disclosure and record keeping.

Voting objectives:

Proposals submitted to shareholders generally include: reporting and approval of accounts, distribution of dividends, Board appointments, remuneration matters or any issue deemed relevant by the board of directors or imposed by the bye-laws of the company to be submitted to shareholders for a vote. Expressing our opinion on those relevant issues goes in hand with the following set of objectives:

- **Assure value creation over a long term perspective:**

Make sure of the existence of a coherent and strategical alignment between the board strategy and shareholders' interests. Voting decisions are made in accordance with portfolio managers' long term vision for the invested companies with a final objective of sustainable growth and value creation.

- **Protection of investors' rights**

Companies should ensure that the rights of all shareholders are protected and treated equitably. Save for special situations relating to founders' equity holdings, investors should be treated in accordance with the principle of "one share, one vote" and hence benefit from the same voting rights. Giving shareholders a channel to express their views on important and material corporate changes while shielding them from potential ownership risks (equity dilution, takeovers...) is critical.

- **Ensure sound and efficient corporate governance**

The board of directors is accountable to the shareholders for the guidance and oversight of senior management's strategy. Appointments to the board must be made in favor of a balanced and diverse structure. As member of the Board Diversity Hong Kong initiative, we believe gender diversity in boards of directors encourages better leadership and ultimately increases corporate performance. Board members should have the expertise required to face challenges associated with corporate management.

Our voting decisions also seek to align incentives structures with shareholders' interests. Pay and rewards should be aligned with the long-term performance of the company and should have the objective of strengthening employee loyalty while limiting excessive risk-taking.

Finally, corporate governance is monitored by keeping the board accountable for overall transparency in the process that leads to the appointment of directors. Shareholders should be able to directly intervene through the submission of a "Shareholder Proposal".

- **Consideration of Environmental and Societal aspects**

JKCM pays great attention when engaging proactively on the issues affecting our time. Our analysts assess the ESG risks and opportunities attached to each voting proposal. Whenever relevant, our vote aims to trigger a discussion on environmental and social matters with invested companies. We encourage companies to reach and go beyond their respective industry standards with regards to Environmental, Social and Governance criteria.