

Avenue Europe Management, LLP Shareholder Rights Directive II

Engagement Policy

Under obligations arising from the revised Shareholder Rights Directive (EU 2017/828) (“SRD II”), a firm which trades shares on regulated and comparable markets, is required to either develop and publicly disclose an engagement policy as prescribed in COBS 2.2B.6R or disclose a clear and reasoned explanation of why it has chosen not to do so.

Avenue Europe Management, LLP (“Avenue” or the “Firm”) has elected to disclose its engagement policy as set out below. Further, we are also required to further disclose on an annual basis how the engagement policy has been implemented in a way that meets the requirements in COBS 2.2B.7R. Avenue will make its annual disclosure, alongside this engagement policy, on its website.

<p>The role of shareholder engagement in Avenue’s Investment Strategy</p> <p>COBS 2.2B.6 R (1)</p>	<p>Investment decisions are taken following fundamental analysis of the underlying companies. This includes, inter alia, consideration of the company accounts, management team, shareholders and corporate governance arrangements. Once a new investment is made, it is monitored on an ongoing basis, including meetings with management where appropriate.</p> <p>Avenue evaluates whether to engage with investee companies, on behalf of the Firm’s sole client, Avenue Europe International Management, L.P. (“the Client”) which manages a number of funds focusing on European investment strategies., This is done on an investment-by-investment basis, if Avenue believes, in its reasonable business judgment, that shareholder engagement would be reasonably necessary in order to maximize returns for its underlying investors.</p>
<p>Approach to ongoing monitoring of investee companies</p> <p>COBS 2.2B.6 R (2)</p>	<p>Each investee company held in a fund managed by the Client is monitored by a portfolio manager with the assistance of one or more analysts. In addition, the Client has Investment Committees for its investment strategies that include members of senior management and members of the Compliance, Legal, Tax, Operations, Risk Management, Business Development and Accounting Departments. Investment Committees meet at least quarterly and generally include a review of portfolios, largest investments, upcoming material corporate actions and other material transactions, marketplace developments, legal/regulatory updates, and any other items that are relevant to the applicable fund’s portfolio of investee companies.</p> <p>Records reflecting the ongoing investment analysis of investee companies are maintained to enable historic fact-checking and to guide and enhance the investment process with new companies.</p>

<p>Approach to conducting dialogue with investee companies</p> <p>COBS 2.2B.6 R (3)</p>	<p>Dialogue between the Firm and investee companies is generally conducted by senior members of the Firm's investment teams. In addition, from time to time, funds managed by the Client may become the sole investor or a significant stakeholder in a portfolio company and, as such, sit on a portfolio company board and work with appointed company management teams. All such communications are conducted in accordance with the Firm's code of ethics and other controls and procedures regarding communications with investee company insiders to ensure the proper management of any material non-public information that may be disclosed.</p>
<p>Procedure for exercising voting rights and other rights attached to shares</p> <p>COBS 2.2B.6 R (4)</p>	<p>The Firm's objective is to ensure that its proxy voting and corporate action activities on behalf of its funds are conducted in a manner consistent, under all circumstances, with the best interests of the funds.</p> <p>The Client's Operations managers have the responsibility of voting proxies on behalf of the funds in accordance with the Firm's proxy voting guidelines, at the direction of senior members of the Firm's investment teams. Notwithstanding the foregoing, the Firm may vote a proxy contrary to its proxy voting guidelines if the Firm in connection with the portfolio manager or analyst who is in charge of monitoring the investee company determines that such action is in the best interest of the fund. In the event that the Firm votes contrary to the proxy voting guidelines, the Firm will document the basis for the contrary voting decision.</p> <p>In addition, the Firm may choose not to vote proxies in certain situations, such as (i) where a fund has informed the Client, or the Client has informed the Firm, that it wishes to retain the right to vote the proxy, (ii) where the Firm deems the cost of voting would exceed any anticipated benefit to the Client, (iii) where the proxy is received for a fund that has been terminated, or (iv) where a proxy is received by the Firm for a security it no longer manages on behalf of the Client. The Firm, with the assistance of the portfolio manager or analyst who is in charge of monitoring the investee company, will document the basis for the Firm's decision not to vote.</p>
<p>Approach to cooperating with other shares holders</p> <p>COBS 2.2B.6 R (5)</p>	<p>To the extent funds managed by the Client engage with other shareholders of a portfolio company, such dialogue is generally conducted by senior members of the Firm's investment teams and carried out in accordance with the Firm's code of ethics and other controls and procedures regarding communications with investee company insiders to ensure the proper management of any material non-public information that may be disclosed.</p>

<p>Approach to communicating with other non-equity stakeholders</p> <p>COBS 2.2B.6 R (6)</p>	<p>Insofar as the Firm engages in communications with other non-equity stakeholders, such communications are conducted by senior members of the Firm's investment teams and carried out in accordance with the Firm's code of ethics and other controls and procedures regarding communications with investee company insiders to ensure the proper management of any material non-public information that may be disclosed.</p>
<p>Procedure for managing actual and potential conflicts of interests in relation to the firm's engagement.</p> <p>COBS 2.2B.6 R (7)</p>	<p>The Firm maintains a register of potential and actual conflicts of interest which is supplemented by a register of the outside business interests of staff members.</p> <p>The Firm and the Client have a Conflicts Committee which is composed of members representing senior management of the Firm and the Client, including a Senior Principal, the Chief Financial Officer and the Chief Compliance Officer. The Conflicts Committee meets as necessary to review and address actual and potential conflicts of interest. Possible conflicts may arise in many different aspects, including, but not limited to, launching of new strategies, investing in different parts of a portfolio company's capital structure, managing information barriers, and allocating investment opportunities across different funds.</p> <p>Where there is a perceived conflict in relation to the Firm's engagements, this would be reported to the Chief Compliance Officer of the Firm, who would determine what steps needed to be taken to manage the conflict of interest effectively.</p>