Polen Capital Investment Funds Plc

Shareholder Engagement Policy

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Version	Date	Approved By
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Shareholder Engagement Policy

Introduction

Polen Capital Investment Funds Plc (the "**Company**") is:

- a self-managed UCITS investment company authorised by the Central Bank under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended (the "**UCITS Regulations**")

Directive (EU) 2017/828, commonly referred to as the SRD II Directive, has been tranposed into Irish law under the European Union (Shareholders' Rights) Regulations 2020 (the **"Irish Regulations**"). The Irish Regulations in turn amend the provisions of the Companies Act 2014 as amended (the "**Companies Act**").

The Company falls within the new definition of "relevant asset manager" set down in Part 17 of the Companies Act. As a result, in accordance with its obligations under Section 1110H of the Companies Act, the Company has developed this shareholder engagement policy (the "**Policy**") which describes how the Company or its Delegate on the Company's behalf engages with Investee Companies (as defined below) in which applicable funds of the Company invest (each a "**Fund**" and together the "**Funds"**). A list of the Funds falling within the scope of this Policy is set out at Schedule.

This Policy should be read in conjunction with the Exercise of Voting Rights Policy and Conflicts of Interest Policy of the Company. Copies of these policies are available upon request from the Company.

Roles and Responsibilities

The Board is responsible for overseeing and monitoring the implementation of and adherence of the Company to this Policy.

In order to do so, each Delegate (as defined below) will report on engagement with Investee Companies annually to the Board. Where they deem it necessary to do so, the Delegate will liaise with the Designated Person for Regulatory Compliance, in advance of any reporting to the Board on any matter giving rise for concern. These matters giving rise for concern will in turn be reported to the Board at the next quarterly meeting.

Shareholder engagement will also be included in the annual report of the Delegate to the Board.

Organisational structure

The Company has delegated all or part of its portfolio management activities to one or more investment managers (each a "**Delegate**"). The Company requires each Delegate to comply with an engagement policy or practice which enables the Company to comply with this Policy on an ongoing basis.

Therefore where the context so requires, reference to "Company" should be construed as also referring to any delegate investment manager appointed by the Company.

Scope of this Policy

This policy sets out how the Company engages with Investee Companies.

What is an Investee Company

The Company falls within the definition of "relevant asset manager" under Section 1110F of the Companies Act which is as follows:

"relevant asset manager" means an asset manager-

(a) that invests in shares traded on a regulated market on behalf of investors, and
(b) in respect of which the competent Member State, within the meaning of Article 1(2)(a) of the Shareholders' Rights Directive, is the State."

The term "regulated market" is given the same meaning as that set down in the MiFID II Directive which defines it as being:

"*multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with Title III of this Directive."*

Accordingly this Policy relates to the engagement of the Company with any company in which a Fund is invested whose shares are traded on an EEA regulated market. As a result it extends to shares of a non-EU company which are traded on an EEA regulated market.

Given the lack of clarity under the Irish Regulations, the Company has extended the scope of the Policy to include investment by a Fund in the shares of any underlying fund established as an investment company which are traded on an EEA regulated market.

Engagement with Investee Companies

In order to protect the best interests of shareholders of the Company, the Company believes that it should be an active and responsible shareholder of the Investee Companies in which it invests.

As the Company is an "owner" of the Investee Companies, the Company evaluates the performance of each Investee Company and its management team on an ongoing basis. The Company recognises that if correctly implemented, engagement with Investee Companies can help to improve the financial and non-financial perfomance of those companies, particularly over the longer term. Effective monitoring of and engagement with Investee Companies can not only

positively influence the business and strategy of such companies but may, depending on the form of engagement, provide the Company with a greater understanding of the strengths and weaknesses of a particular Investee Company. This in turn helps the Company to have a better longer-term view of the relevant Investee Company.

(i) How shareholder engagement is integrated into the investment strategy

The Company pursues an active investment strategy which focuses on protecting and enhancing the long-term value of its assets consistent with the investment objective, policies and guidelines and liquidity requirements applicable to each Fund and the investment horizon of the investors of such Funds.

Therefore in assessing potential investments, the Company focuses on investing over the longer term rather than focusing solely on the performance of the Investee Company over the immediate short term.

Engagement with investee companies is an integral component of the investment process of the Funds as a means of preserving and enhancing the value of the Investee Companies in which the Funds invest. The Company recognises that many decisions that could have a material impact on the long-term value of a shareholding can be made without a shareholder vote being required and as a result considers careful monitoring and effective engagement critical.

Therefore as part of the due diligence carried out on any proposed investment, the Company considers not only the strategy, performance, board composition and quality of management of the proposed Investee Company, it will also consider the ability of a shareholder to engage meaningfully with the Investee Company and whether there is a coherent and transparent approach to shareholder engagement implemented by the proposed Investee Company.

The engagement approach adopted by the Company will depend on the investment strategy of the relevant Fund, the specific circumstances of the Investee Company and the size of investment by the relevant Fund etc.

However generally the Company will engage with investee companies through the various means described in this Policy.

(ii) Monitoring investee companies

As part of its ongoing monitoring of Investee Companies, the Company considers and reviews both financial and non-financial performance and risk, their strategy, their capital structure and corporate goverance, the consideration of social and environmental impacts of business and strategy. Financial performance will be assessed by analysing revenues, profits, and cash flows, and considering the overall level of assets and liabilities. The Company considers the rights attaching to the Fund's shareholding, in particular whether pre-emptive rights exist to protect against the dilution of the Fund's interest in an Investee Company. The Company will also analyse the reinvestmeent of cash generated, financial leverage and shareholder return and will assess

any proposed mergers or other asset sales to determine whether the proposed transaction is in the long-term economic interests of investors.

The Company also assesses material environmental and social issues relevant to the business of the Investee Company to understand whether there are any material ESG factors which could influence future growth or the value of the investment, both prior to investing in the Investee Company and on an ongoing basis during the life of the investment. Governance practices at Investee Companies are also monitored, with particular attention paid to board composition, election and re-election of independent directors, executive remuneration and management of conflicts of interests.

This monitoring helps the Company better understand the challenges and opportunities faced by the Investee Company and may result in the Company engaging more directly with the Investee Company in the manner described in this Policy.

The Company monitors Investee Companies by reviewing information contained in audited financial statements, public filings, earnings announcements and conference calls, company press releases, and other relevant public disclosures. However the Company does not rely soly on the information provided by the Investee Company itself and will use research from sell side analysts, proxy research reports as well as developing knowledge through industry experts or other shareholders in the relevant sector. Where relevant, the Company will also monitor developments reported in the media/financial platforms such as Bloomberg. Attendance at "Investor Relations" days run by Investee Companies can also be a useful source of information on business strategy.

(iii) Engaging in dialogue with investee companies

In addition to monitoring Investee Companies, the Company arranges to attend investor calls and meetings/roadshows arranged by Investee Companies which can provide a useful forum for the Company to better understand the strategy being pursued by the Investee Company, provide the opportunity to ask questions of senior management/raise any specific concerns about strategic, operational or other management issues. Where practicable and taking into account the extent to which a Fund invests in a particular Investee Company, the Company also conducts on-site visits.

The Company may look to engage directly with the management team of an Investee Company where its monitoring of the Investee Company or a proposed action by the Investee Company leads the Company to question whether the company is being run in the best interests of its shareholders or where certain "trigger" events occur such as under-performance or poor performance, the election/re-election of directors or external auditors, proposed merger or acquisition etc. In such circumstances, the Company may request a meeting with the management team of the Investee Company, preferably with a non-executive director of the Investee Company in attendance to outline specific concerns and seek further information on certain matters in private rather than raising same at the AGM or any EGM. Where relevant, this may be followed up with a letter to the board of directors of the Investee Company outlining key concerns and rationale for same. In the event that the response from the Investee Company is inadequate, the Company may consider divestment.

(iv) Exercise of voting rights and other rights attached to shares

The Company's policy on the exercise of voting rights is set out in its "Exercise of Voting Rights Policy", a copy of which is available from the Designated Person for Regulatory Compliance. The Company recognises voting rights as an important tool in exercising influence over Investee Companies and, where appropriate, uses the voting power of Funds to put pressure on Investee Companies to take specific action or to express its disagreement with a proposed course of action. Voting rights must always be exercised in the best interests of investors in the relevant Fund.

While the general policy of the Company is to vote all resolutions to the extent possible the decision whether or not to vote on a specific matter rests with the relevant portfolio managers who will determine the importance of exercising the Fund's voting rights on a particular topic. Relevant considerations typically include the portfolio managers' assessment of the materiality of the voting matter but may also include the percentage shareholding in the Investee Company, the size of the position in the portfolio, and whether or not the position may be divested soon from the portfolio.

There can be situations where the Company may be unable to vote a proxy, or may choose not to vote a proxy, for example, where (a) there are legal encumbrances to voting, including blocking restrictions in certain markets that preclude the ability to dispose of a security if the Company votes a proxy (which may impact on the relevant Fund's liquidity requirement) or where the Company is prohibited from voting by applicable law or other regulatory or market requirements; (b) proxies are not delivered to the Company by its depositary (or not delivered in good time); or (c) the Fund held the securities on the record date but has disposed of them prior to the voting date;

Proxy Voting Advisors

The Company recognises that the use of proxy voting advisors may have an important influence on its voting behaviour.

In the general, while the Company can rely on research conducted by the proxy advisor as a means of identifying potential issues and to inform final voting positions, final voting decisions are taken "in-house" and are not based solely on the recommendations of the proxy advisor.

Securities Lending Arrangements

The Company does not engage in or use securities lending arrangements, repurchase or reverse repurchase arrangements and as a result can exercise any voting rights attached to securities held by Funds freely.

(v) Co-operation with other shareholders

In circumstances where the Company has raised an issue individually with an Investee Company and believes that insufficient action has been taken since such engagement, or where

the Company considers it better to work with other shareholders to effect positive change, it may consider, where appropriate, engaging with other shareholders of the Investee Company. When deciding whether or not to do so, the Company will take into account a number of factors including the identity of other large investors in the Investee Company, the relative size of their shareholding and whether collective engagement will achieve the desired outcome. This may involve engaging with other shareholders via industry fora to encourage them to make similar representations with the Investee Company.

(vi) Communication with relevant stakeholders of the investee companies

It is not currently the intention of the Company to communicate with other stakeholders of Investee Companies such as employees of Investee Companies in implementing this Policy.

(vii) Management of conflicts of interest in relation to the Company's engagement

In certain circumstances, actual or potential conflicts of interests may arise that could be viewed as influencing the outcome of the Company's voting decision, particularly where the Company or its affiliates have significant business relationships with Investee Companies. Examples of such conflicts include where large investors in the Funds may be issuers of securities held in the Fund, where clients of the Company are the issuer of securities or are proposing a shareholder resolution for consideration or where the Company is required to vote at a meeting of an Investee Company with which the Company has other business relationships.

Depending on the circumstances, the existence of such conflicts may prevent the Company from voting or engaging at all with the Investee Company.

Any action taken by the Company must be taken with the intention of being in the best interests of the relevant Fund, any Delegate or any employees or board members of such entities.

Actual and potential conflicts of interests will be managed in accordance with the Company's Conflicts of Interest Policy and in accordance with applicable regulatory requirements

Annual Review of Implementation of this Policy

On an annual basis, the relevant Delegate shall conduct a review of how the Policy has been implemented over the previous twelve months and publicly disclose this on its website. This will include:

(i) a general description of voting behaviour;
(ii) an explanation of the most significant votes taken;
(iii) information on the use, if any, of the services of proxy advisors; and
(iv) information on how the Company has cast votes in the general meetings of Investee Companies.

However, should the relevant Delegate identify any appropriate measures which need to be taken to address any deficencies identified in the review carried out above it will seek to notify the

Company of same. Such additional measures, where identiifed, will not form part of the information to be publicly disclosed on the relevant Delegate's website.

The Company reserves the right not to disclose how it votes in resolutions of Investee Companies where the subject matter of the vote is insignificant or where the holding in the Investee Company is insignificant in any given year.

In the event that the Company does not, in a given year, publicly disclose how this Policy has been implemented in accordance with Section 1110H of the Companies Act 2014, the Company must publicly disclose a clear and reasoned explanation for its failure to do so.

The Company will endeavour to ensure that the policy remains current and applicable to any new business as well as the existing business of the Company. The Policy will also be reviewed and revised as necessary whenever needed due to regulatory or operational changes.

Schedule 1

Polen Capital Focus U.S. Growth Fund
Polen Capital International Growth Fund
Polen Capital U.S. Small Company Growth Fund
Polen Capital Global Emerging Markets Growth Fund