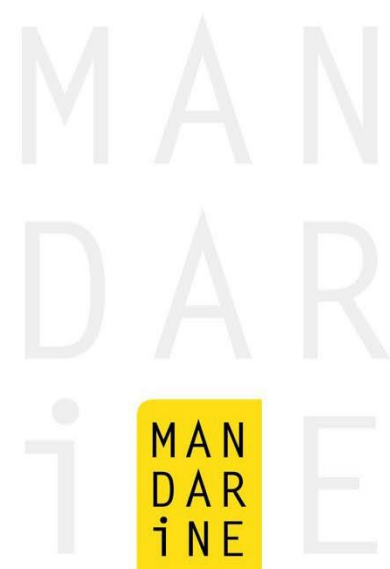


Voting policy



PREAMBLE

Mandarine Gestion is aware that good corporate governance practices that take into account both financial and non-financial issues as well as sustainable development (social, environmental, etc.), increase the value of companies and the confidence of shareholders. It also intends to increase the value of its clients' investments by exercising the rights and duties conferred by shareholder status, including the right to participate actively in the annual general meetings of listed companies held in the UCI.

The exercise of voting rights at annual general meetings is extremely important:

- The annual general meeting is in essence the main forum for expressing corporate governance policy and, more specifically, it is where shareholders will be asked to approve the company's operating results and accounts, validate the strategic choices of past years, renew their confidence in the directors and, lastly, to decide on the appropriation of profits and losses, and dividend payouts;
- The Annual General Meeting is where important decisions are validated: *see takeover bids, merger transactions, share buyback programmes, etc.*
- The decisions made at annual general meetings (AGMs) usually indicate the development priorities and future direction of corporate strategy, which will contribute to the future financial performance of companies;
- An analysis of the company and the resolutions proposed at AGMs enables us to understand the company better in all its financial and extra-financial aspects (social, environmental, governance, etc.).

ORGANISATION AND SCOPE

Organisation

Mandarine Gestion has an Environmental, Social and Governance (ESG) team responsible for analysing and voting on the resolutions in general meetings, along with the management teams.

Information about general meetings is provided directly by issuers, the specialist press, custodians, information systems (FactSet, Bloomberg, Proxinvest-GlassLewis, ISS - Broadridge, etc.) and by the AFG (French Asset Management Association).

Review of the voting policy: a committee made up of members of the ESG team, management and the legal department meets to update the voting policy annually.

Voting rights are exercised either:

- by correspondence;
- by proxy;
- by physically attending the shareholders' general meetings.

Scope

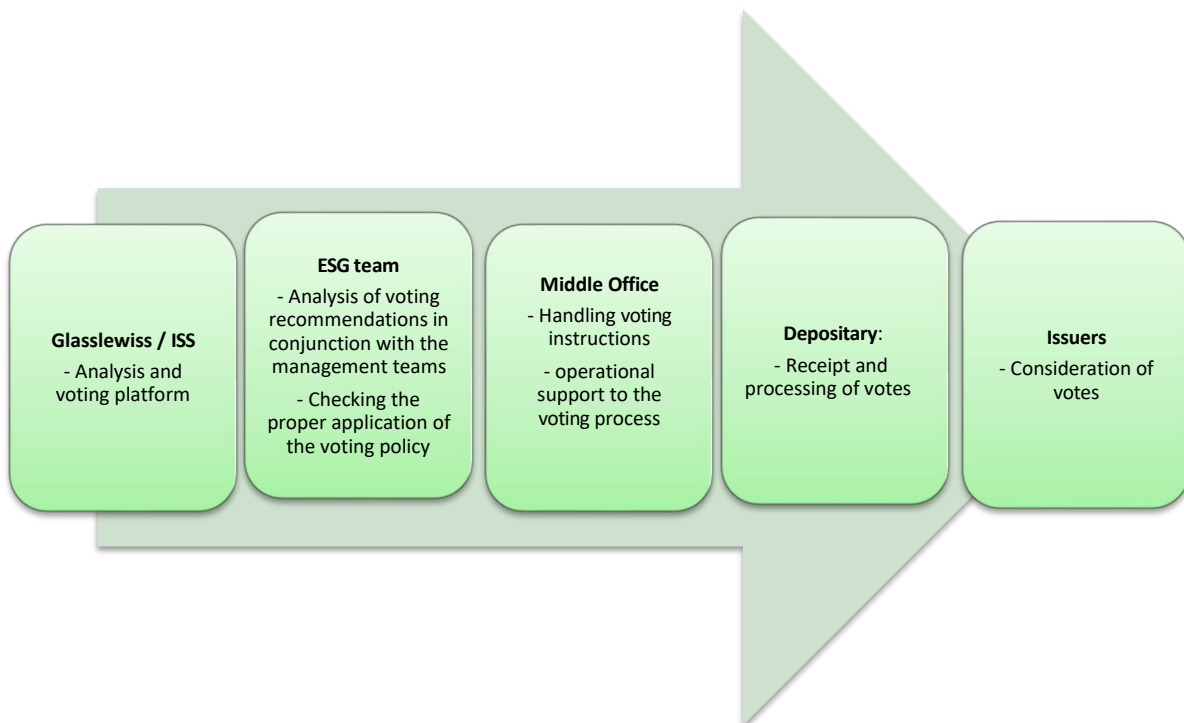
Exercising our voting rights through proxy voting is an essential part of our commitment as a shareholder and we take this responsibility seriously.

Our objective is to achieve a 100% attendance rate at meetings where we are shareholders, provided we are able to participate within the constraints of securities law and vote in an informed manner.

Nevertheless, the company undertakes to exercise its voting right for all companies for which shareholdings, through the assets of the managed funds/SICAVs, exceed 1% of the capital and/or voting rights.

More specifically, voting rights are exercised on the shares, **subject to**, among other things, the possible absence of independent analyses of the resolutions and/or the accessibility of the documents necessary for the vote, restrictions related to the rights of the share depending on the jurisdiction or local or statutory constraints (e.g. **Holding threshold:** companies may require shareholders to hold a minimum number of shares to participate in the vote; this threshold is intended to prevent the administrative costs associated with the participation of small shareholders from being disproportionate. **Holding period:** some company articles of association require a shareholder to hold their shares for a specific period before they can exercise their voting right, in order to discourage short-term speculative investments. **Legal restrictions:** in some jurisdictions, there may be legal restrictions on voting rights, in particular for foreign shareholders or in certain regulated industries, on holding at least **1%** of the issuer's voting rights.

In addition, Mandarine Gestion uses the services of external voting and proxy providers (GlassLewis- Proxinvest and ISS) to facilitate the voting process as well as to provide voting-related research and recommendations. This helps inform the judgement of our ESG and management teams on certain issues, but the final decision is based on our own policy and the opinion of our managers. The voting process is illustrated below:



GUIDING PRINCIPLES

i. Equal treatment of shareholders

Mandarine Gestion supports the principle of “one vote per share” and the equal treatment of shareholders. The management company is therefore, in principle, opposed, except in the context of the legitimate protection of higher interests (*e.g. defence and national sovereignty, etc.*), to the various statutory procedures involving unequal treatment of shareholders, such as:

- double voting rights;
- multiple voting rights;
- shares without voting rights;
- preferred shares;
- capping voting rights above a certain threshold of capital held;
- any resolution aimed at limiting the power of shareholders (*e.g. when issuing new shares, etc.*).

If a law aimed at making double voting rights general practice were to be adopted, Mandarine Gestion would invite companies to put to the vote of the GM a provision enshrining the equal rights of all shareholders in their articles of association.

ii. Rational management of equity over the long term, responsible distribution and absolute respect for shareholders

Anti-takeover measures:

In the case of a public bid for a company, this bid must be put to a shareholder vote. Each proposal should be subject to an analysis of the conditions specific to the company and its stakeholders. In addition to value creation, Mandarine Gestion will pay particular attention to the future of the company's social and environmental responsibility practices, its commitment to sustainable development and the company's social project.

Apart from the analysis described above, Mandarine Gestion will abstain from or oppose any permanent or preventive anti-takeover measures insofar as they are contrary to the interests of shareholders and/or if they cannot be considered as a means of negotiating a valuation of the offer (in particular Breton ¹ warrants). Lastly, since the enactment of the Florange ² law in France and the abolition of the principle of neutrality of the Board of Directors during a takeover bid, we will be careful to ensure that authorisations to carry out capital transactions contain a statement explicitly excluding their use during a takeover bid.

Capital transactions:

As a general rule, any proposed capital increase, merger, takeover, acquisition or spin-off will be approved provided that it offers added value for the shareholder and includes social, environmental and financial performance and an explicit commitment to sustainable development.

Capital increase with preferential subscription rights:

Mandarine Gestion considers that the number of shares issued with preferential subscription rights must be limited to the equivalent of 50% of existing shares.

Capital increase without preferential subscription rights:

Issuing shares without preferential subscription rights or a priority subscription period: as the issue of shares without preferential subscription rights can damage shareholder interests without this being justified by the company's situation, Mandarine Gestion takes a restrictive stance on this issue, but reserves the right to authorise an issue of shares without preferential subscription rights, depending on the company's situation:

¹ defensive warrants, which enable large French companies to offer their shareholders warrants at low prices to increase their defence capabilities in the event of a hostile takeover bid or share exchange offer.

²Law no. 2014-384 of March 29 2014 aiming to reconquer the real economy

- vote in favour of an authorised maximum of 33% of capital if a priority period is specified;
- vote in favour of a maximum of 10% of capital without a priority subscription period.
- Convertible bond issues:
 - Vote in favour of a ceiling of 10% of capital.
- Share distribution schemes to employees:
 - Mandarine Gestion supports such programmes.

Capital increase without preferential subscription rights - Discount:

In order to facilitate capital increases without preferential subscription rights, Article 3 of Decree no. 2019-1097 of 28 October 2019 authorises an increase in the maximum discount applicable to the weighted average price of the last three meetings from 5% to 10%.

Economically, this discount for the benefit of new investors comes at the expense of existing or loyal shareholders because it dilutes their proprietary interests.

The discount has an impact on the capital dilution of existing shareholders, in particular if they cannot participate in the capital increase following the abolition of preferential subscription rights.

Unless analysed on a case-by-case basis, we will vote against capital increases with removal of the preferential subscription right at a discount greater than 10%.

Lastly, for large French companies, we vote against resolutions allowing capital increases to be over-allocated (Greenshoe) if the dilution thresholds set out above are exceeded:

Summary table – Capital increase:

Type of Delegation	Amount threshold	Max. discount	Neutrality during takeover bid
Capital increase with preferential subscription rights	50% of capital	N/A	
Increase in capital without PSR with priority period	33.33% of capital	10%	
Capital increase without preferential subscription rights without priority period	10% of capital	10%	
Increase in capital as remuneration for a share exchange offer	10% of capital	N/A	

Outside France, we will apply the legal limits in force in the country. **Group resolutions:**

Mandarine Gestion is not in favour of the practice of combining in a single resolution several decisions, even of the same nature, which oblige the company to accept or reject all of these decisions. This practice tends to limit the ability of shareholders to express their views on specific issues. In fact, they must vote for or against the entire package of decisions, even if they only agree with some of them.

Mandarine Gestion is particularly opposed to the appointment or renewal of several members of the board in a single resolution.

In the interest of improved legibility, the larger regulated agreements must be separate resolutions, where possible, especially when it comes to agreements concerning executive directors and family holdings.

Amendments to the articles of association:

Resolutions involving amendments to the Articles of Association will be analysed on a case-by-case basis and will be approved if they do not adversely affect the interests of minority shareholders.

Shareholder resolutions:

Resolutions added to the agenda by minority shareholders will be analysed on a case-by-case basis and shall be favourably received if they incorporate social, environmental and financial performance.

Resolutions relating sustainable development issues:

As a signatory to the Principles of Responsible Investment (PRI), Mandarine Gestion will pay close attention to companies in which it holds shares assuming risks and to specific issues related to sustainable development.

In addition, the transposition of the European CSRD Directive into French law has resulted in the obligation for the General Meeting to appoint an expert responsible for auditing sustainability information: the sustainability auditor. Mandarine will vote in favour of this appointment (statutory auditor or independent third party) for 3 or 6 years or for the remainder of the term of office, with greater attention paid to independence in the case of the current statutory auditor.

Climate:

Now that companies and investors are taking increasing account of their responsibility to combat global warming, "Say On Climate" resolutions now appear on the agenda of general meetings in order to gather the opinion of the shareholder community.

As a signatory of the Net Zero Asset Manager Alliance initiative, Mandarine Gestion expects companies to be transparent about their management of climate issues and to commit to carbon neutrality and carbon emission reduction targets that are validated by science and aligned with the Paris agreements.

Mandarine Gestion will support resolutions related to climate change or the ecological and energy transition, in particular in the following cases:

- Definition of quantitative objectives for reducing CO2 emissions for the company's activity (scopes 1-2) and/or for its products (scope 3) with a view to carbon neutrality.
- Detailed information on the risks associated with climate change (regulatory, financial or physical risks), their identification and their mitigation.

In addition, Mandarine Gestion reserves the right to vote against "Say on Climate" in the following cases:

- There is insufficient transparency around the organisation of the governance responsible for dealing with the risks and opportunities associated with climate issues.
- The resolution does not clearly set out a Climate Transition plan.
- The targets for reducing greenhouse gas emissions are not validated by science or do not make it possible to achieve the IPCC's 1.5°C scenario.
- The resolution does not clearly state its commitment to Net Zero.

iii. Separation of powers, independence and competence of the Board of Directors (Board of Directors/Supervisory Board)

Governance structure:

We have no preference as to the company's governance structure: it can be dual (management board and supervisory board) or single (board of directors).

Within the framework of a structure for the board of directors, we support separation of the roles of Chairman and Managing Director. However, in some cases, the multiplication of roles may be justified, according to the countervailing powers put in place by the company:

- A Board that is predominantly independent;
- Presence of an independent senior director;
- Board meetings with the CEO in attendance.

Mandarine Gestion will also pay close attention to the stock market, social and environmental performance from the start of the CEO's term of office.

Composition and diversity of the Board:

Mandarine Gestion ascribes great importance to the composition of the board of directors. It must be made up of experienced members with diverse and complementary skills and profiles (age, origin, skills, knowledge of the business sector, independence, background, etc.).

As such, we consider it preferable that a Board include:

- 5 to 16 members;
- directors whose mandate does not exceed four years;
- directors who do not serve more than three successive terms (maximum 12 years);
- up to 33% of independent directors or directors with no conflicts of interest (see definition in point (c)) if the company is controlled or, failing that, up to 50% of the composition of the board);
- directors holding no more than five directorships in listed companies and two directorships in total for executive directors;
- at least one director representing the employees; and at least one director representing the shareholders and/or with shareholder competence;
- one independent senior director in the event that the Chairman and Managing Director roles are combined;
- From a Chairman of the Board who holds no other chairmanship outside his/her group.

The role of the senior director should be formalised in the articles of association or in the internal regulations of the board and shall include various tasks, including:

- monitoring and managing conflicts of interest of executive directors and other board members. This will include taking preventive action in the form of raising the awareness of the relevant parties on the existence of facts that give rise to conflicts of interest. Mandarine Gestion considers that there is a benefit to declaring these a priori rather than a posteriori;
- establishing, with the Chairman, the agenda for board meetings, adding additional points where necessary;
- Convening the board on an exceptional basis, if required;
- Ensuring compliance with the principles of “good governance” within the Board and specialised committees;
- Accounting for his/her actions at the general meeting.

Shareholder representativeness and competence on the boards:

- Shareholder representativeness on the board: Shareholders must be represented on the board of directors. In companies with diversified capital, it is recommended that a process be set up for recruiting one or more directors representing minority shareholders.
- Shareholder competence: Mandarine Gestion is also committed to ensuring that the board of directors includes a significant representation of shareholder competence. Beyond the representation of shareholders on the board of directors, the point is to ensure that the board of directors includes members whose professional background gives them an in-depth knowledge of shareholder issues. These include, for example, investor relations managers, financial directors, investment fund managers or partners in investment or capital allocation structures.

More generally, we believe that it is important for shareholders to be able to vote on each of the proposed candidates and to have access to information on the individual profiles (CV, biography, expertise brought to the company, etc.) of each proposed candidate in as transparent a manner as possible before each meeting.

Board independence:

Mandarine Gestion considers it reasonable that the proportion of independent directors on the Board of Directors should be at least 50% in companies with dispersed capital and no controlling shareholders. In controlled companies (i.e. where a reference shareholder holds at least 30% of the voting rights and no other shareholder holds a greater proportion), the proportion of independent directors must be at least 33%. Exceptions shall be deemed possible in particular for family-run groups.

To be defined as “free of conflict of interest”, the director (or supervisory board member) must not be in any situation that could lead to a conflict of interest.

In particular, he/she must not:

- be an employee or executive director of the company or any of its affiliates, nor have been so in the last five years;
- be an employee or executive officer of a major shareholder of the company or of a company in its group for less than five years;
- be an employee or executive director of a supplier, client, commercial, banking or financial partner of the company or any of its affiliates;
- have been an auditor of the company in the past five years;
- be a member of the board of directors or the supervisory board of the company for more than 12 years;
- Be a shareholder of the company holding more than 5% of the share capital.

Information on the functioning and the work of the boards:

We consider it necessary that a company provides complete information on the proper functioning of the board to its shareholders: including the attendance of the directors, report on the evaluation, functioning and work of the board, etc.

Significant shortfalls affecting overall performance (financial, corporate, social, environmental, governance, reputation, etc.) may lead to a vote of abstention or even a negative vote for the renewal of one or more directorships. More specifically, if the attendance rate is less than 75% (unless the company provides detailed justification), we will consider this to be a vote against.

Committees reporting to the Board:

Given the complexity and diversity of the board's tasks, and taking into account the various degrees of expertise of the directors on all subject matters, the management company considers it desirable that the board establishes specialised committees. The creation of specialised committees (comprising 3 to 5 members, for example) is a good way to meet these requirements and also to avoid conflicts of interest.

We consider it positive for the company to set up three committees:

- an **audit committee** responsible for examining the company's accounts and in direct relationship with the statutory auditors in order to keep abreast of their programme of work. We will vote against the associated resolutions if the audit committee has clearly failed in its duties towards company shareholders (transparency concerning the auditor's fees, omission of disputed regulated agreements, etc.);
- an **appointment or selection committee** tasked with finding and appointing members to the board of directors and executive directors. We will vote against the associated resolutions if the appointments committee does not provide sufficient information on the succession of senior executives, if the composition of the board is unbalanced; Mandarine Gestion will also vote against the Chairman of the appointments committee if the proportion of women is lower than that required by current regulations. Finally, a vote against will be preferred for companies in the CAC40 and SBF120 if we consider that information on the succession policy is insufficient or that the succession of directors is not organised (if the Executive Chairman is over the age of 65).
- a **remuneration committee** which ensures that the remuneration of managers and directors is compatible with the interests of the company and its shareholders. The committee defines the (fixed and variable) remuneration, the allocation rules, the recruitment and severance conditions of the managers and their retirement plans. We will vote against resolutions related to the remuneration of executives and directors if there is insufficient information on the remuneration policy for the latter.

Mission of boards:

Mandarine Gestion encourages companies, particularly French ones via the Pacte Law, to reflect on their Rationale and to consult all stakeholders, including shareholders, beforehand.

Transparency, consistency and fairness of remuneration

iv. Remuneration of

executive managers:

Mandarine Gestion demands greater transparency regarding the amounts and methods of calculating direct and indirect, or deferred, individual remuneration for executives. The remuneration policy must form part of a principle of correlation between the performance of the manager and those of the company, and be discussed at least once a year by the board.

Mandarine Gestion recommends that executive directors hold (in risk) a significant number of shares in the company and that the information on holding these shares be provided to shareholders.

The following will be closely analysed:

- the nature of integrated qualitative and quantitative criteria;
- the calculation methods used;
- the objectives set and their levels of achievement.

Mandarine Gestion will vote against if the level of transparency of the award criteria is insufficient to determine the link between performance and the remuneration paid.

To the extent that the company's overall performance depends on properly managing relationships with all parties involved, we advocate including extra-financial criteria when calculating the remuneration for executive managers in line with the AFEP MEDEF code (for French listed companies).

The allocation of stock options must provide incentives for and promote loyalty among the company management. Issued without a discount, and defined in advance for certain periods, they must facilitate an effort of transparency regarding the allocation criteria and the number of beneficiaries. Mandarine Gestion will reject stock option plans offering a discount on the share price.

Allocations of bonus shares with the same allocation and transparency criteria as stock options must provide incentives for and promote loyalty among most of the company's employees. They cannot exceed 0.5% of the company capital. Mandarine Gestion also favours the communication of the breakdown of bonus shares distributed to officers and employees.

In total, subscription options and bonus shares may not amount to more than 10% of the share capital (except in the specific case of small and mid caps).

Any resolutions relating to supplementary retirement schemes and other forms of remuneration for retirement entered into by the company must take the following principles into account:

- seniority (at least two years in the company);
- strict progressiveness;
- base limited to 3% of the annual remuneration used as a reference for calculating the pension, per year of seniority;
- Presence of stringent performance criteria.

Equity ratio:

In accordance with the Pacte Law³, French companies must each year publish in their governance report an equity ratio measuring the difference between the remuneration of each manager and the average and median remuneration of full-time employees.

However, for greater consistency, Mandarine Gestion would like French companies to calculate this equity ratio on the basis of the workforce in France and the workforce worldwide (the Pacte law only introduced an obligation on the listed parent company).

Mandarine Gestion reserves the right to vote against the remuneration of an officer, on a case-by-case basis, if the equity ratio is not published, or if it is trending upward, in view of the social context and in comparison with the area of activity.

³ Law no. 2019-486 22 May 2019 relating to the growth and transformation of companies

Remuneration for non-executive managers:

It is also necessary for the company to provide detailed information on the terms and criteria for distributing attendance fees to the directors and as well as explanations on any developments with the amounts allocated. Mandarine Gestion supports the payment of attendance fees for directors on the board, depending on the standards and practices of the country and the sector. In order to better guarantee the independence of directors, a variable amount shall be allocated on the basis of attendance rather than on the basis of the company's performance.

The board of directors or the supervisory board approves the remuneration for the non-executive chairman of the board in relation to the tasks for which he is responsible. The remuneration for the non-executive chairman of the board must not put said person in a position of conflict of interest. It would be preferable to limit this remuneration to the median remuneration of the chairmen of the board of companies of the same size and in the same sector of activity. Mandarine Gestion does not support the payment of a variable amount to the non-executive chairman of the board.

Mandarine Gestion remains attentive to:

- The equitable distribution of efforts between managers, employees and shareholders (principle of consistency and exemplarity)
- Perfect transparency and explanation for any revisions to previously approved policies
- The proportionality of the annual variable compensation awarded to executives;

v. Transparency and control of financial and extra-financial

information. Approval of the accounts:

Mandarine Gestion approves the accounts when the report from the statutory auditors is included in the management report and no reservations have been expressed. The dividend policy is another important element and must be consistent with the evolution of the company's results and debt levels. Regarding dividend payments, the voting decision will be based on the financial situation of the company, the percentage allocated to the distribution, and coverage of the dividends.

Statutory auditors:

Appointment and rotation:

In keeping with the European audit reform, there must be a rotation of the statutory auditors every 10 years and of the co-statutory auditors every 24 years. Mandarine Gestion is unfavourable to appointments when they do not provide the necessary guarantees (experience, skills, term of office exceeding the legal limits). Moreover, we will vote against the appointment of deputy statutory auditors when they are directly or indirectly affiliated with the incumbent statutory auditors who do not satisfy the criteria listed below.

Remuneration:

Mandarine Gestion does not want the fees paid to the statutory auditors for work other than the certification of the accounts (consultancy, etc.) to exceed the certification fees. Otherwise, we will vote against the resolution in question.

Regulated agreements:

Mandarine Gestion may be led to vote against resolutions concerning regulated agreements if said resolutions do not reflect the interests of the minority shareholder or if the information available is not sufficient to assess the merit thereof.

vi. Reports and communications

Overview and report of the exercise of the voting policy:

A statistical overview is included in Mandarine Gestion's annual report. The annual report is prepared within four months of the company's financial year-end, which takes place at the end of December.

This report details the number of companies for which the management company has exercised its voting rights in relation to the number of companies in which it holds such rights. It will also specify any cases in which the management company deemed that it could not comply with the principles contained in its voting policy, as well as any possible cases of conflict of interest.

MANAGEMENT OF CONFLICTS OF INTEREST

Voting rights are exercised strictly in the interests of unitholders.

With regard to the prevention of conflicts of interest, Mandarine Gestion has undeniable advantages:

- as an independent management company, it is independent of any financial institutions with multiple activities that may cause conflicts of interest and has full autonomy in terms of financial management, its business strategies and its choice of partners and providers;
- As the company only manages portfolios on behalf of third parties (collective management and discretionary management), it is not affected by any potential conflicts of interest arising from the coexistence of several business lines.

In accordance with Mandarine Gestion's code of ethics and conflict of interest management procedure, employees are particularly attentive and made aware of compliance with all provisions relating to conflicts of interest.

The company's managers and employees are therefore subject to strict rules of ethics and compliance with procedures relating, on the one hand, to the reporting obligations for transactions on the financial markets carried out on a personal basis and, on the other hand, to the reporting obligations for external offices and positions.

Mandarine Gestion therefore exercises particular vigilance with regard to the risks of any conflicts of interest that could affect the free exercise of voting rights.

If a conflict of interest is identified between a member of the team in charge of voting rights at general meetings, the RCCI is immediately informed and the employee concerned does not take part in the exercise of these voting rights.

Please note:

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