

GINJER AM VOTING POLICY

INTRODUCTION

The purpose of Ginjer AM's voting policy is to defend the exclusive interests of unitholders. To that end, voting rights shall be exercised in the best interests of its clients.

Ginjer AM's voting policy aims to promote the long-term capital appreciation of its investments. It serves as a tool for managing the risk inherent in equity investments by promoting, in particular, better incorporation of environmental, social and governance (ESG) criteria by companies, which are best equipped to ensure the long-term, sustainable development of their businesses.

The Ginjer AM Voting Policy is a tool for managing the ESG risk

inherent in equity investments.

Over a long-term perspective, the policy makes a point of examining compliance with the interests of all shareholders and improvement of corporate practices.

Companies need to embark on a journey of progress, and improvements in their practices are a primary

focus.

The Ginjer AM Voting Policy is based on the following principles, taking into consideration the types of resolutions submitted to shareholders:

Approval of the financial statements and management report:

Integrity of management, governance and financial/non-financial information

Allocation of earnings, management of own funds and corporate actions:

Responsible dividend distribution and long-term investment

Board of Directors or Supervisory Board:

Expertise and independence of the Board, diversity and segregation of powers

Executive compensation and employee engagement:

Transparency, consistency and fairness of pay, designed to ensure social cohesion and promote employee engagement

Amendments to by-laws, shareholder rights:

Equal treatment of shareholders

External resolutions:

Incorporation of environmental, social and governance criteria

Ginjer AM reserves the right to interpret the voting policy in accordance with the specific circumstances of each company, including its capital structure, environment, history, sector and country of establishment. Furthermore, any situations or resolutions not covered in this document will be addressed in the spirit of the principles defined above by Ginjer AM.

Ginjer AM updates its voting policy yearly to reflect the most recent regulatory and legislative developments, as well as changes in issuer and investor governance practices in France and around the world.

See Appendix 1: Implementation of the voting policy.

1. Approval of the financial statements and management report

INTEGRITY OF MANAGEMENT, GOVERNANCE AND FINANCIAL/NON-FINANCIAL INFORMATION

1.1. Approval of the financial statements

The parent company and consolidated financial statements, and the Statutory Auditors' reports, should be available by legally established deadlines. The parent company and consolidated financial statements should be certified, without reservations, by the Statutory Auditors.

Companies should make the non-financial report available to shareholders, including sufficiently detailed disclosures on carbon emissions.

1.2. Quitus

In countries where quitus (discharge of responsibility) is not mandatory, it is not supported because it could impair the legitimacy of an accountability proceeding against third parties to which it was granted. In countries where it is mandatory, contesting the granting of quitus makes it possible to sanction events, practices or lack of supervision deemed detrimental.

1.3. Related party agreements

All constituent terms of related party agreements should be communicated to shareholders.

Related party agreements should be based on strategic grounds and contain equitable economic conditions. They should be entered into in the best interests of all shareholders.

Consulting jobs performed by a director should be the exception to the rule and will only be supported if they are temporary in nature.

1.4. Statutory Auditors

The independence of the audit process should be encouraged by regularly rotating the use of statutory auditing firms and limiting potential conflicts of interest. Two criteria are examined in this respect:

- a statutory auditing firm should not work with the same company for more than 18 years;
- fees paid to Statutory Auditors for their legally established financial statement certifications duties should not represent more than 100% of the certification fees paid for the previous fiscal year, or more than 50% on average for the past three fiscal years.

Enhanced due diligence is applied when replacing a statutory auditor having issued reservations or observations on the financial statements.

2. Allocation of earnings, management of own funds and corporate actions

RESPONSIBLE DIVIDEND DISTRIBUTION AND LONG-TERM INVESTMENT

2.1. Responsible dividend distribution

The shareholder return policy should be aligned with the company's strategy and long-term outlook. Dividends should not be prioritized over investments in development plans or undermine the business as a going concern.

Accordingly, Ginjer AM checks that the amount of the proposed dividend is not excessive and is consistent with the company's results, FCF generation and gearing.

Authorizations of share-based payments, share buybacks and capital reductions contribute to the management of the company and are generally supported.

2.2. Shareholder loyalty incentives

Rewarding the loyalty of long-term shareholders with loyalty dividends is well received.

2.3. Defense of pre-emptive rights

It is vitally important to grant pre-emptive rights to existing shareholders when carrying out a capital increase because it gives them the right of first refusal on any new capital funding project and, where applicable, compensates any shareholders unable or unwilling to participate by allowing them to sell their rights.

Consequently, Ginjer AM supports authorizations granting power to the Board of Directors or the Management Board to conduct capital increases with pre-emptive rights. However, a special General Meeting will have to be convened for any plan to increase capital by more than 50% to ensure that shareholders are duly informed. In cases calling for a greater capital increase, the shareholders are entitled to review any proposed action liable to significantly alter the company.

Without pre-emptive rights, a maximum authorization of a 10% capital increase is nevertheless acceptable to give companies some flexibility. This percentage may be increased to as much as one-third of the share capital if a priority period is granted to shareholders. Issues without pre-emptive rights should be carried out at an issue price close to the current share price to prevent any excessive transfer of value that would be unfavorable to existing shareholders.

2.4. In-depth analysis of major strategic operations

Authorizations to conduct capital increases presented to shareholders are analyzed on a case-by-case basis in view of their strategic long-term interest, financial terms and conditions, and ESG impact. The same is true for strategic tenders, mergers or demergers.

2.5. Open competition and anti-takeover mechanisms

Anti-takeover mechanisms, which include maintaining authorizations for capital increases and share buybacks during public offer periods or issuing “bons Breton” warrants, are not accepted because they can disrupt the orderly operation of the markets and allow executive managers to remain in office despite poor management of the company. However, during a public offer period, in cases where plans are announced to the shareholders, an analysis is performed on a case-by-case basis, examining the long-term strategic interests of the company, the financial terms and conditions, and the ESG impacts.

3. Board of Directors or Supervisory Board

EXPERTISE AND INDEPENDENCE OF THE BOARD, DIVERSITY AND SEGREGATION OF POWERS

3.1. Competent, diversified boards

The composition and areas of expertise represented on a board are essential to ensuring that the decisions taken will drive the development and sustainability of a company for the benefit of all shareholders.

Ginjer AM expects the board to benefit from the variety of profiles contributing to the quality of discussions. This diversity should be reflected in a balanced representation of both genders. Ginjer AM looks closely at the efforts made by companies to achieve a minimum of 30% of each gender.

3.2. Independence and limitation of conflicts of interest

To ensure that shareholders are represented on the Board and promote a balance of powers, it is advisable for the majority of board members to be free of conflicts of interest in companies whose share capital is not controlled (at least one-third in companies whose share capital is controlled). This rule can be adapted for countries with laws imposing strict representation practices, and particularly representation of employees.

Cross-directorships are negatively viewed. Another recommendation is not to encourage over-representation of a given shareholder relative to its stake in the company.

3.3. Availability and attendance

Board members should be able to spend the time needed to fulfill their duties with appropriate diligence. Consequently, the number of offices held by Board members should not exceed five for non-executive offices held in listed or large-cap companies or one outside their group for executive managers.

Members are expected to attend Board meetings and cannot be re-appointed to office if their attendance rate drops to 75% or less without legitimate reasons.

4. Executive compensation and employee engagement

TRANSPARENCY, CONSISTENCY AND FAIRNESS OF PAY, DESIGNED TO ENSURE SOCIAL COHESION AND PROMOTE EMPLOYEE ENGAGEMENT

4.1. Executive compensation

Executive compensation is an important matter for shareholders to consider in voting at General Meetings. Laws in many countries have changed to give shareholders the right to review these types of key issues, in the interest of maintaining social cohesion within the company, and also society as a whole. Companies should thus submit improving compensation policies in tune with shareholder expectations.

To consider executive compensation fair and equitable, shareholders should consider the company's performance and perform a case-by-case analysis of criteria such as transparency, structure and alignment with long-term performance objectives.

Transparency

The compensation policy should be transparent so that shareholders can clearly see how it was established and the amounts at stake. The various components of direct and indirect compensation should be explained, as well as the process used to determine the amounts on offer. To that end, companies are advised to publish the weighting assigned to each performance criterion.

Structure

The structure of executive compensation should preferably encourage the successful performance of the business by offering substantial variable pay.

The discretionary portion of annual variable pay, not based on financial or non-financial criteria which could be verified by shareholders, may be accepted to provide the Board of Directors with some flexibility but may not exceed 20% of all criteria adopted.

Alignment with financial and non-financial performance

The performance conditions of annual and long-term variable pay employed by the company should be demanding.

Variable pay criteria should be flexible enough to drive the company's transformation during times of crisis.

Use of ESG criteria is a positive step in a dynamic process.

A five-year performance measurement period is recommended for stock option or share plans to be considered as a legitimate long-term compensation tool. A minimum performance measurement period of three years is required in any event for this type of compensation instrument.

Social cohesion: CEO pay ratio

The CEO-to-typical worker pay ratio should be reasonable in the interest of setting a good example, fairness and social cohesion.

4.2. Post-employment benefits

Severance pay is only acceptable in reasonable amounts, as a consideration for unwilful departures.

Supplementary pension plans should be open to a broad group and not exclusively to corporate officers. They should be moderate in cost relative to the executive's total compensation package.

4.3. Compensation of non-executive members

Compensation granted to non-executive members should be aligned with practices observed at companies of similar size in the country in question. It should not be variable, but should be contingent on attendance of Board meetings.

Similarly, compensation paid to the Chairman of the Board should not deviate from compensation granted to the Chairman's peers and not be variable.

4.4. Stock option and free share plans

Stock option and free share plans are effective incentives to encourage employees and managers to contribute to the company's value creation. Shareholder dilution risk is managed by setting caps on share ownership.

When top managers receive this type of plan, it should be subject to performance conditions measured over the medium/long term and give shareholders visibility over allocation volumes.

4.5. Employee profit-sharing

Ginjer AM supports profit-sharing schemes as a tool for promoting social cohesion.

5. Amendments to by-laws, shareholder rights

EQUAL TREATMENT OF SHAREHOLDERS

Because publicly-traded companies rely on investor funding, they have a duty to respect the rights of all shareholders. The General Meeting should be sovereign and its decisions enacted accordingly.

Ginjer AM closely examines any resolutions aimed at amending the by-laws on a case-by-case basis, with a view to ensuring that the rights of all shareholders are respected over the long term.

Shareholder voting rights should be proportionate to the capital investment (one share = one vote).

In general, the various mechanisms employed to grant certain rights to a given category of shareholders are not acceptable because they undermine the equal treatment of shareholders. They also complicate the capital structure. Preference shares are a good example because, as opposed to ordinary shares, they offer double or multiple voting rights, loyalty dividends or other benefits and limit rights in favor of certain shareholders.

For similar reasons, mechanisms written into the by-laws to protect one group of shareholders over another are prohibited: use of Dutch stichting vehicles, changing a public limited company to a limited stock partnership, relatively non-transparent self-assessments, clauses in the by-laws or financial issues penalizing the company in the event of a public offer or change of control, special Board appointment rights, poison pills.

Shareholder identification clauses included in the by-laws are acceptable if they do not place undue pressure on shareholders, particularly in terms of reporting deadlines. Information should not be stored by the company, but communicated to all shareholders.

6. External resolutions

INCORPORATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA

Ginjer AM analyzes external resolutions on a case-by-case basis, in accordance with the principles set out above. Key considerations include how well the company meets the interests of all shareholders and improves ESG practices.