

## ENCOURAGEMENT OF LONG-TERM SHAREHOLDER ENGAGEMENT

### I. Preamble

This voting policy is an extension of Montefiore Investment's (or the "Company") investment policy, which aims to achieve regular performance over the long term in accordance with the management guidelines of its investment vehicles ("MI funds").

It aims to promote business projects that lead to the creation of value and the development of their economic activities in profitable, sustainable and fair conditions.

In this context, Montefiore looks after the interests of the unitholders or shares of the MI funds it manages, while respecting the integrity of the financial markets.

### II. Tracking participations

Montefiore actively monitors its holdings and the sectors in which they operate.

When investing, Montefiore systematically requests a seat on the governance bodies of companies (listed and unlisted).

Montefiore's representation in the various governance bodies as well as the numerous exchanges with the managers allow for an active monitoring of the shareholdings.

Montefiore is committed to monitoring strategic cases, financial and non-financial situations, the various risks related to the activity, the capital changes of companies, sectors of activity as well as the social and environmental risks of all the companies in which it invests.

### III. Executive support

Montefiore maintains an ongoing dialogue with the managers of the portfolio companies, whether within the framework of the various committees and boards of directors or during frequent meetings and exchanges with management.

This support is provided throughout the life of a portfolio investment and focuses mainly on strategy, risk monitoring, governance, economic aspects as well as social and environmental issues.

As a signatory of the UNPRI, Montefiore is committed to integrating ESG themes into discussions with the shareholdings. These themes are the subject of specific meetings and/or reports.

### IV. Exercise of voting rights

#### A. Decision-making

Decision-making regarding the voting at the AGMs of the companies held by the MI funds is entrusted to the Deal Partners in charge of monitoring the company, who may entrust this exercise to a member of the Deal Team in charge of the company.

In the event of a delegation of power from the Deal Partner, an ad hoc power of attorney signed by the Deal Partner is formalized and kept on the network.

#### B. Threshold

Montefiore participates in all the Shareholders meetings of unlisted companies held by the MI funds.

For listed companies, Montefiore has set itself the following intervention thresholds to systematically participate in votes:

- Beyond a threshold of 5% of the voting rights per company;
- Above an individual holding threshold representing more than 8% of the assets of an MI fund;
- Beyond a global holding threshold representing more than 5% of the total assets of the MI funds.

These thresholds are intended to promote flexibility and speed in investment decisions. Beyond these thresholds, Montefiore Investment considers that the positions taken in companies are long-term and require closer monitoring.

As an exception, Montefiore Investment reserves the right not to exercise the voting rights held by its funds in the following cases, even if the above thresholds are reached:

- When voting requires securities to be locked up for a long period of time, thus limiting liquidity and preventing the benefit of market opportunities;
- When voting involves prohibitive administrative costs;
- In the specific case where the shares have been the subject of a temporary sale at the time of the exercise of the voting rights, Montefiore does not intend to recall the shares and does not exercise its voting rights.

#### C. Vote on resolutions deemed "important"

When the resolution concerns an amendment to the articles of association, Montefiore endeavours to verify that the envisaged amendments:

- Do not call into question the principles of stability and economic sustainability of the company;
- Do not create situations of potential conflicts of interest that would be detrimental to the interests of shareholders.

When the resolution concerns the approval of the accounts and the appropriation of the profit, Montefiore favours the integrity of the accounts, the transparency of financial communication and the rational management of equity with regard to the dividends that can be distributed.

When the resolution concerns the approval of regulated agreements, Montefiore endeavours to ensure that they are based on a clearly identified economic or strategic justification and must have been submitted within the legal deadlines.

When the resolution relates to a program for the issuance and repurchase of equity securities, Montefiore is attentive to potential dilution and shareholders' preferential subscription rights.

When the resolution concerns the appointment of statutory auditors, the statutory auditors must not certify listed affiliated companies, just as the deputy auditors must not belong to the same firm as the statutory auditors.

Montefiore is also committed to obtaining good transparency of the fees additional to the statutory audit costs, invoiced by the Statutory Auditors.

When the resolution concerns remuneration, Montefiore endeavours to ensure that the fixed and variable remuneration of managers and the highest salaries as well as attendance fees are economically justified and in line with the practices of the profession.

In addition, employee share ownership at preferential prices and the granting of stock options must not have a dilutive effect that is disproportionate to market habits or the expected objective (executive retention, etc.).

#### D. Management of conflicts of interest and ethical principles

Montefiore Investment exercises its voting rights in the exclusive interest of the holders of units or shares of the MI funds. It therefore ensures that possible conflicts of interest are prevented and managed. Managers are encouraged to declare any potential conflict of interest situation in which they may find themselves (privileged links with managers or other shareholders or groups of shareholders, holding the share in the manager's personal portfolios, etc.).

Montefiore Investment, as a management company, complies with the principles of professional ethics applicable to it. In particular, the identification and treatment of any potential conflicts of interest.

In order to prevent any conflict of interest that may affect the free exercise of voting rights, the Company has put in place a specific procedure for the management of conflicts of interest in accordance with the rules established in the Code of Ethics.

The CCO ensures that these principles are respected.

#### E. Practical arrangements for exercising voting rights

Voting rights are exercised in person at shareholder meetings, by mail (including remote voting devices) or via powers of attorney given to another shareholder of the company.

The decision to participate or not in the votes at the meetings is taken by the Deal Partner with regard to the intervention thresholds and the types of resolutions submitted to the vote.

The invitations (notification, draft resolution, reports of the auditors, the board of directors, etc.) and the minutes of the shareholders meetings and attendance sheets are saved on the network in the file dedicated to each participation.

#### V. Coopération avec les autres actionnaires

Montefiore most often acts as a majority shareholder.

In addition to the privileged relationship that Montefiore builds with the managers of each shareholding, Montefiore also develops a constructive dialogue with all the other shareholders in order to agree on the objectives for the development of the shareholdings. Montefiore maintains these relations with shareholders, particularly within the corporate bodies on which it sits.

## VI. Communication with relevant stakeholders

Montefiore organises unifying events for SMEs and in particular the "Grand Prix des Lionnes", this event is open to all companies and not only to the participation of MI funds.

In addition, Montefiore brings together investors in MI funds' funds and holdings for an annual "Investor Day".

Through these events, Montefiore raises awareness among entrepreneurs and its partners about the challenges of its investments and the entrepreneurial nature of Montefiore.

## VII. Voting Rights Report

Within 6 months of the end of Montefiore Investment's financial year, a report on the voting rights exercised in all the holdings in the portfolio is formalised.

In addition, in accordance with France Invest's Code of Ethics, Montefiore Investment also reports, in the annual report of the MI funds, on its practice in the use of the voting rights attached to the securities held in the funds concerned.

## VIII. Internal Controls & audit

Montefiore has set up a 3-level control system in accordance with the regulations and recommendations of its supervisory authority.