



20. SHAREHOLDER ENGAGEMENT POLICY

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Preamble:

The investment management firm **CIAM** set up a shareholder engagement policy in compliance with the article 198 of the French legislation n°2019-486 of the 05/22/2019 concerning companies' growth and transformation and in accordance with the requirements of articles L.533-22 and R.533.16 of the French Monetary and Financial Code.

The shareholder engagement policy aims to describe: the monitoring of financial and non-financial performance strategy, risks, capital structure, social and environmental impact and corporate governance; shareholder dialogue; exercise of voting rights; cooperation with other shareholders; communication with relevant stakeholders; prevention and management of actual or potential conflicts of interest regarding their engagement.

In accordance with French Decree n°2019-1235 of 27/11/2019 transposing Directive (EU) 2017/828 of 17 May 2017 amending Directive 2007/36/CXE with a view to promoting long-term shareholder engagement, this policy specifies and describes how **CIAM** integrates its role as shareholder in its investment strategy.

The shareholder engagement policy is available on **CIAM**'s website.

A report on the implementation of this shareholder engagement policy will be published annually in accordance with paragraph II of Article 533-22 of the French Monetary and Financial Code.

CIAM is a management firm investing in listed companies with head offices in Europe or Northern America. The management firm's investment strategy is based on OUTILS PROPRIETAIRES. **CIAM** uses different filters and criteria to reduce the potential investment area, in order to determine the potential securities to invest in. The selection and investment process are based on a fundamental analysis, and an evaluation and identification of one or several catalysts with the companies. The probability and the timing of the operation of the event are estimated for each potential investment.

The financial selection of securities is also fortified by an extra-financial analysis, based on the inclusion of the **Governance** dimension within the investment process, measuring the search for quality and of the right company governance combining competence, transparency and independence. **The Governance lever allows us to operate the Social and Environmental dimensions**, whose transparency must be total in order to best evaluate the ESG risks.



Our approach in terms of risk assessment, engagement and active voting is based on our own conviction that companies and shareholders all have a fundamental role to play in the continuity of both companies and financial markets.

We do not see the ESG solely as a notation nor a weight but as a risk we must guard against, and as a tool to identify opportunities. We are an assets management company, and we work for the improvement of the ESG aspects.

CIAM is convinced that taking into consideration environmental, social and corporate governance-related questions is essential to a high-quality governance, and that taking them into consideration must influence the investment, in particular the risk analysis level, in order to promote investors' long-term interests.

To this end,

- ✓ **CIAM has built a coherent, transparent, and completely independent active voting policy,**

Exercising the rights to vote attached to securities held by the managed portfolios, **CIAM's** objective is to defend all investors' best interests. We do not exercise automatic voting nor automated voting, and we analyze all the resolutions according to our own voting policy.

- ✓ **CIAM has edited a responsible investment policy,**

This policy testifies that the integration of ESG principles within its investment decisions helps to improve decision making, both risks and opportunities-wise, and promotes investors' interest.

- ✓ **CIAM is committed to being an active investor by submitting or/and supporting resolutions concerning the E, S and G criteria,**

For all the assets under management, **CIAM** aims at encouraging companies to adopt the best ESG practices, but also at pushing companies to engage with a durable strategy.

- ✓ **CIAM is the guarantor and bearer of the shareholder dialogue throughout its investments, whatever may be the company's progress concerning the E, S and G criteria,**

For all the portfolios under management, **CIAM** aims at encouraging companies to adopt the best ESG practices, in the interest of the client.

- ✓ **CIAM is committed to evaluating all the Environmental, Social and Governance-related risks prior to any investment,**

This extra-financial risk analysis is essential and highlights the weaknesses and emphasizes the behaviors that are incompatible with a responsible long-term management.

This analysis is part of **CIAM's** management process.

- ✓ **CIAM actively participates in debates regarding Governance's place and commissions on subjects such as corporate governance, activism and exercising voting rights,**

Our participation aims at promoting and defending our shareholders' and investors' best interest, as well as the diffusion of good practices regarding the proper governance.

1°- The monitoring of strategy, financial and non-financial performances, risks, and capital's structure

The success of our shareholder engagement approach is based on the identification of the ESG risks prior to any investment. **CIAM has its own analysis that allows the company to refine its securities according to its own management style.** In addition, there are extra financial data to each investment case. **All the companies that we invest in are covered by this analysis and are scanned with an ESG angle.** From this analysis results a risk that we evaluate, and on which we can actively engage with the company.

CIAM has written a responsible investment policy, accessible upon request from any funds' holder or shareholder. This policy is updated each year and describes the ESG process established within **CIAM**, and applicable to all funds under management.

Responsible investment policy

1. Introduction and Beliefs

CIAM is an investment management firm that uses equity-based investment strategies to generate returns from its global approach to corporate events. Focused on special situations and merger arbitrage we use activism as one of several tools to unlock shareholder value, where appropriate. In the past, CIAM was particularly focused on identifying listed European and North American companies with specific corporate governance issues that have a detrimental impact on the value of their shares and have recently started raising awareness on some social aspects as well.

CIAM recognizes that through its investment practices and decisions to invest, engage, communicate or disinvest it effects not only its investors but also other stakeholders, the environment and society at large.

Furthermore, CIAM recognizes that the integration of ESG principles into its investment decisions helps better-informed decision-making, both on the risks and opportunities sides and promotes investors interests.

The environmental, social and governance policy is developed to maintain high level motivation on CIAM's commitment to incorporate ESG information throughout its decision-making process and maintain its focus to extend and apply meaningful knowledge on these issues. We consider that firms mindful of the environmental, social and governance aspects are more resilient and better able to capitalize on arising opportunities. It is expected that material aspects of sustainability factors are researched, monitored and influenced where applicable.

The policy is applicable to all CIAM's funds and specifically to the special situations strategy, which represents a large majority of CIAM's investments.

2. Policy Governance

This policy is owned and overseen by CIAM's CIO, who supervises all investment, engagement and voting policies.

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A specific procedure “ESG integration process” can also be associated to a specific fund. This document details the methods of analysis, the specific data used, and details the extra-financial management method associated to a specific fund. This document is linked to the management policy of the fund involved.

2°- The shareholder dialogue, a vector of good governance

Dialogue allows to refine our comprehension of ESG challenges and risks within each company **CIAM** invests in. **We are convinced that the shareholder dialogue is a vector of good governance and thus a way to diminish financial and extra-financial risks, and to improve the company's long-term performance.**

The shareholder dialogue is formalized in different ways:

- ✓ It can be qualified of **regular and intensive** when the company accepts to commit to a regular dialogue throughout the year, generally with 2 or 3 meetings. These meetings can be private appointments, collective appointments organized at the occasion of financial or governance roadshows, or through conference-calls. Regular meetings with the company's directors and/or board members are the opportunity for **CIAM** to discuss financial, strategic and extra-financial topics.
- ✓ It can be qualified of **precise**, when our request for a shareholder dialogue concerns a specific subject, or if it follows-up a controversy spotted by the market.
- ✓ It can be qualified of **collaborative** when the dialogue comes from a collective initiative, from a body or organization such as body or organization such as *proxy solicitor* or from the company itself, wishing to initiate a request for a dialogue concerning a precise subject.
- ✓ Meetings pre-GA are also a way to reinforce the shareholder dialogue with companies. Indeed, on this occasion, the company communicates the composition of its future board of directors, the assessment of its remunerations and all its requests that the company wishes to implement long-term. It is important that **CIAM** is involved in its information and that CIAM is able to communicate its voting policy's meaning, and its requests concerning corporate governance, social, societal and environmental matters.

3°- An active and coherent voting policy


The investment management firm **CIAM** is an active shareholder and for which voting is essential. To support, reject, and propose resolutions is vital for **CIAM**. It is essential to secure and perpetuate all shareholders' right to vote.

The voting policy is based on **uncompromising principles**, which are real guarantee and guardrail that **CIAM** applies to all its participations. **Safeguarding shareholders' rights are a priority for us**. We make sure that a real, permanent and qualitative control is present in order to preserve everyone's interest.

- ▶ **CIAM** is in favor of the “one action = one voice” principle, in order to guarantee that all shareholders are equal. CIAM is against any modification of this principle and any initiative aiming to restrict the right to vote, by the creating a holding threshold, by the existence of anti-takeover bid pills, by the creation or by keeping the right to double vote; and the existence of shareholders’ agreements that will be studied on a case-by-case basis.
- ▶ **CIAM** is demanding when it comes to the quality of administrators (independence, diversity, competency) and their engagement regarding the company in which they chose to sit in.
- ▶ **CIAM** is vigilant regarding the board’s balance and competence in order to guarantee its proper functioning and that its decisions are made in everyone’s interest (and not in exclusively in the interest of established directors or of one referring shareholder).
- ▶ **CIAM** is involved in the shareholder engagement and wants to be able to discuss subjects related to corporate governance through the shareholder dialogue with a member designated by the board as responsible for this exchange. This dialogue is essential to the good functioning and the collegiality of the board.
- ▶ **CIAM** is against any mechanism that would aim at the rooting of directors that would notably enable, in case of a public bid on the society, to subtract certain decisions from the sovereignty of the assembly and to reject, in a discretionary manner, propositions which are favorable to shareholders.

CIAM has written a voting policy and keeps it available to any funds bearer or shareholder who might request a report on the rights to vote, detailing the information relative to resolutions voted by a general assembly.

This voting policy is updated each year and has 8 parts for which a detail concerning the setting up of the vote is developed.

 <p>Date : janvier 2021</p> <h2 style="text-align: center;">POLITIQUE DE VOTE</h2> <p>CIAM est une société de gestion qui investit sur des entreprises cotées, incluant dans son univers d'investissement les sociétés ayant une capitalisation boursière minimum de 250 millions de dollars et ayant leur siège social en Europe ou en Amérique du Nord. La stratégie d'investissement de la société de gestion repose sur des outils propriétaires. CIAM utilise différents filtres et critères pour réduire l'univers d'investissement potentiel et de se concentrer notamment sur la recherche de catalyses corporate/ Le processus de sélection et d'investissement est basé sur une analyse fondamentale et une évaluation des sociétés. La probabilité et le timing de la réalisation des événements sont estimés pour chaque investissement potentiel.</p> <p>La sélection financière de titres s'enrichie aussi par une analyse extra-financière qui repose sur l'inclusion dans le processus d'investissement de la dimension Gouvernance, Sociale / Sociétale et Environnementale, avec comme critères, la recherche de qualité et de la bonne gouvernance d'entreprise alliant compétence, transparence et indépendance.</p> <p>Pour se faire,</p> <p>CIAM a construit une politique de vote active, cohérente, transparente et totalement indépendante,</p> <p>En exerçant les droits de vote attachés aux titres détenus dans les portefeuilles gérés, CIAM a pour objectif de défendre les intérêts des clients et ou de tous ses investisseurs.</p> <p>Nous ne pratiquons pas le vote automatique, ni le vote automatisé et analysons l'ensemble des résolutions selon notre propre politique de vote.</p>	<h2>SOMMAIRE</h2> <ol style="list-style-type: none"> ❶ Organisation de l'exercice des droits de vote ❷ Périmètre d'exercice des droits de vote ❸ Les principes de la politique de vote <ol style="list-style-type: none"> I. LES COMPTES ET LA GESTION <ol style="list-style-type: none"> a) Approbation des comptes b) Quitus ou décharges c) Conventions réglementées d) Nomination, renouvellement des commissaires aux comptes titulaires et ou suppléants II. LE CONSEIL <ol style="list-style-type: none"> a) Election / Réélection d'un membre du conseil b) Election / Réélection d'un membre du conseil dans un comité III. AFFECTATION DU RESULTAT, GESTION DES FONDS ET OPERATIONS EN CAPITAL <ol style="list-style-type: none"> a) Affectation du résultat b) Opérations de rachats de ses propres titres c) Autorisations d'augmentation de capital d) Fusions, acquisitions, scissions IV. POLITIQUE DE REMUNERATION ET AUTRES RESOLUTIONS AYANT UN LIEN AVEC LA REMUNERATION <ol style="list-style-type: none"> a) Rémunération des membres du Conseil b) La réélection ou l'élection de membre du comité de rémunération c) La rémunération des dirigeants d) Augmentations de capital réservées aux salariés V. DROITS DES ACTIONNAIRES VI. CHANGEMENT CLIMATIQUE VII. RESOLUTIONS D'ACTIONNAIRES ESG VIII. AUTRES RESOLUTIONS ❹ Les conflits d'intérêt ❺ Le mode d'exercice des droits de vote ❻ Communication
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4°- The cooperation with other shareholders

CIAM is present within the AFG's Corporate Governance Committee in Paris. This committee aims at promoting and defending the interests of professionals portfolios' managers.

The AFG actively participates in reflections concerning corporate governance:

- In France, regular dialogues with the Medef, the AFEP and the ANSA; frequent contacts with the ADAM, Proxinvest and ISS; founding member of the Institut Français des Administrateurs (IFA) and member of the Association Française pour le Gouvernement d'Entreprise (AFGE).
- In Europe: participation to the Commission's consultations regarding the guidelines that have an impact on a corporate governance level, primarily aiming

at facilitating the cross-border vote; and to the EFAMA and Pensions d'Europe works.

- On an international level: active participation to the International Corporate Governance Network's (ICGN) work.

CIAM can partner with other management companies in order to co-propose resolutions during French general assemblies or international general assemblies requesting governance improvements, transparency regarding societal or environmental issues.

These meetings are the opportunity for **CIAM** to become more involved for the improvement of companies' practices and transparency on the ESG level.

5°- Communication with relevant stakeholders

The conditions of the dialogue between managers, issuers and shareholders have developed these past years. The dialogue's levers with "shareholders" have become more complex and intermediated.

The stakeholders of our shareholder engagement are multiple actors, such as :

- **The ESG grading agencies**

CIAM takes note of the reports of the rating agencies in the E, S and G areas. Most rating agencies make public the methodology and ratings of the companies they assess. Today, investing in a company requires a detailed analysis of all the financial and non-financial risks. The latter provide a complementary opinion to **CIAM** 's in-house research. The rating market is vast, and the methodological approaches used are heterogeneous.

- **Collective initiatives specialized in a subject or in a sector**

CIAM may consult a company's public positioning or progress with various organizations or collective initiatives in order to assess the degree of ESG progress in relation to its competitors and/or its sector of activity. All the initiatives we use as a reference are transparent as to their signatories and commitments.

- **A voting consulting agency (proxy advisor)**

CIAM can take cognizance of the recommendations on corporate governance of voting advisory firms such as the ECGS network in Europe, but also of foreign players such as ISS and or Glass Lewis, and/or a French player such as Proxinvest.

- **Solicitor agencies (proxy solicitor)**

CIAM may be contacted by organizations soliciting shareholders at the request of companies or other shareholders, on a particular issue or in the context of extra-financial meetings. We respond on a case-by-case basis. **CIAM** can also solicit such organizations if it considers it necessary.

- **Listed companies**

CIAM engages in dialogue with companies whether they are present or not in the portfolios. Indeed, we may need to engage in dialogue in view of a future investment, or to better understand the competitive environment of a company. These exchanges may take place in the context of dedicated meetings, group meetings or participation in conferences.

- **The depositories**

CIAM, in exercising its voting rights, is obliged to address all requests to the custodians of its funds in order to properly send requests for votes or participation in general meetings. Where possible, we request confirmation from our custodians that our votes have been properly sent.

6°- Prevention and management of actual or potential conflicts of interest in relation to their engagement

CIAM's code of ethics is based on the rules and provisions of the AMF (Autorité des Marchés Financiers) and the AFG. The prevention of conflicts of interest is ensured, in particular, by a strict separation of business lines and functions. Thus, **CIAM** has its own means of financial management.

In case of an identified conflict of interest, the RCCI is immediately informed. **CIAM** relies on an organization and the definition of strict rules for its managers, employees and directors in order to limit the risks of conflicts of interest as much as possible, and to provide a framework if necessary.

In order to prevent any risks that may arise, **CIAM** does not deviate from its shareholder engagement policy, which is implemented independently of the client relationship.

7°- Communication and Documentation

CIAM will make available to the AMF, and to any holder or shareholder of the funds who might request it, a report on the shareholder engagement, explaining the information

relating to the policy set out above. A first report will be published in the first quarter of 2022 for a reporting on 2021.

CIAM also provides the AMF and the CSSF, as well as any holder or shareholder of the funds who so requests, with an account of the voting policy, explaining the information relating to the resolutions voted at the general assembly.

Documents	Editors	Date of the last update	Year of implementation	Reporting year
Shareholder engagement policy	Head of Corporate Governance Head of Risk Management	January 2021	2021	-
Shareholder Engagement Policy Report	Head of Corporate Governance Head of Risk Management	-	2021	1T 2022
Voting policy	Head of Corporate Governance Head of Risk Management	January 2021	2021	-
Report on the exercise of voting rights	Head of Corporate Governance Head of Risk Management	-	2020 2021	1T 2020 1T 2021
Responsible investment policy	Head of Equity Management, Head of Risk Management	January 2021	2021	-
ESG integration process (specific to a given fund)	Head of Equity Management, Head of Risk Management	January 2021	2021	-

All documents may be updated at any time by **CIAM**. They are available to the AMF and the CSSF as well as to any holder or shareholder of the funds who requests them from **CIAM** - 26, boulevard Malesherbes 75008 Paris.