

COMMITMENT AND VOTING POLICY

1. PURPOSE

Pursuant to the provisions of articles 319-21 and 321-132 of the General Regulation of the Autorité de Marchés Financiers (French financial markets authority), this document sets out the conditions on which Ellipsis Asset Management intends to exercise voting rights attached to shares held by UCITS (OPCVM and FIA) or mandates it manages (including UCITS or mandates whose management has been delegated to Ellipsis Asset Management, and excluding UCITS or mandates whose management has been delegated by Ellipsis Asset Management to a third party).

2. ORGANISATION OF THE EXERCISING OF VOTING RIGHTS

The management team and/or the Middle Office are responsible for monitoring notices convening ordinary, extraordinary or combined shareholder meetings.

On the basis of criteria established by Ellipsis AM for the exercising of voting rights, the fund manager or managers concerned decide whether to attend the shareholder meeting or not. He or they inform the other members of the management team, together with the Middle Office and internal control department.

The management team is responsible for analysing resolutions and deciding how to vote. It may seek assistance from the juridical department if necessary.

3. CRITERIA FOR EXERCISING VOTING RIGHTS

3.1. SHAREHOLDING THRESHOLD

Ellipsis AM votes on resolutions submitted to shareholder meetings when it holds at least 3% of the share capital, all UCITS and mandates combined. Below this threshold, Ellipsis AM considers it does not have a significant and influential position justifying systematic exercise of the voting rights attached to shares held in the portfolio.

However, Ellipsis AM reserves the right to take part in votes for resolutions of all AGM, even if the ownership criteria is not met when resolutions submitted to a vote seem important to ensure the interests of bearers.

3.2. MATERIAL CONDITIONS FOR EXERCISING VOTES

Ellipsis AM will only be able to attend shareholder meetings if it receives voting forms or information on resolutions in sufficient time to exercise its voting rights in normal conditions.

In the specific case of companies not domiciled in France, attendance of shareholder meetings will be contingent on constraints to exercising voting rights, in particular the accessibility and complexity (translation) of documents necessary for voting and the effective cost of voting.

3.3. CONDITIONS OF PARTICIPATION IN THE BOND CREDITORS MEETING VOTES

When a creditors' meeting is convened for an issuer's debt restructuring and at least one managed portfolio holds the relevant debt bonds, Ellipsis AM makes its best to participate in the vote and to prevail the best interest of the relevant portfolios.

4. PRINCIPLES OF THE VOTING POLICY ADOPTED BY ELLIPSIS ASSET MANAGEMENT

4.1. INCORPORATION OF ESG CRITERIA

Ellipsis Asset Management favours the adoption of resolutions by the company to implement environmental, social and governance (ESG) criteria, provided these resolutions do not conflict with the interests of either the company or its shareholders.

Corporate governance specifically looks at power-sharing arrangements between stakeholders (management, supervisory and shareholder bodies) and seeks to guarantee that these powers are well balanced. As such, it covers the rights and duties of a company's management towards other stakeholders, as well as the mechanisms available to stakeholders to control management's activities.

In this area, the management company follows as closely as possible the corporate governance recommendations published by the Association Française de Gestion (French management association).

4.2. COMMITMENT POLICY

Ellipsis AM implements its commitment through an active ESG approach with issuers. This is achieved through dialogue with companies, during interviews conducted by the analyst-managers with their managers or CSR (Corporate Social Responsibility) officers. Thus, as part of its management process, the convertible management team meets regularly with convertible bond issuers: on average, it holds around 180 meetings per year, during corporate conferences (50%) or one-to-one meetings (50%).

These discussions help clearly understand the ESG commitments and issues at the company level, which are also linked to its governance in a more global way. Management can thus seek to deepen identified risks or detect unidentified risks, which are not yet reflected in the external ESG rating, for example. These exchanges can also make it possible to identify opportunities linked to ESG issues.

As part of this dialogue, the analysts encourage companies to be transparent on ESG issues, for example by publishing their ESG strategy, policies and results.

4.3. VIGILANCE ON SPECIFIC RESOLUTIONS

Ellipsis AM votes against resolutions that go against the interests of minority shareholders or of the company concerned. It monitors particularly closely any resolutions that:

- contain several decisions, thereby obliging the shareholder to accept or reject all these decisions together;
- relate to capital increases with or without preferential subscription rights or to reductions in the share capital,
- relate to regulated agreements when these go against the interests of the company concerned;
- contain poison pill measures.

Lastly, Ellipsis AM pays particularly close attention to the strengthening of the independence and effectiveness of the company's management or supervisory boards, together with the application of the transparency and proportionality of management's compensation.

5. METHOD FOR EXERCISING VOTING RIGHTS

Ellipsis AM exercises its voting rights via physical participation in AGMs, by proxy, by mail, or even by digital vote.

6. PREVENTION OF CONFLICTS OF INTEREST

Ellipsis Asset Management establishes its voting policy independently from Kepler Cheuvreux Group, its parent company, and from any other company in the Exane group. This management and decision-making autonomy is guaranteed by the effective separation of the group's various entities.

A potential conflict of interest is identified when a company held in the portfolio is also an important customer of Ellipsis Asset Management. This type of case is submitted to Ellipsis Asset Management's Compliance Committee, which decides whether to approve the management team's vote.

7. REPORT AND COMMUNICATION

An annual report is drawn up within four months of the full-year closing of Ellipsis AM, which takes place at end-December, setting out the conditions for exercising voting rights. It points out the number of companies in which Ellipsis AM has exercised its voting rights relative to the total number of companies in which it has voting rights as well as the cases in which it considered it did not respect the principles set out in this voting policy. Situations of conflicting interest encountered during the year of the voting rights are also integrated into this report.

The report is made available to the French financial markets authority, the AMF, as well as to all unit holders and mandates that request it. It is also published on the Ellipsis AM website at the following address: www.ellipsis-am.com.

In the event that Ellipsis AM does not exercise its voting rights, no annual report is published in compliance with articles 319-22 and 321-133 of the AMF's General Regulation.

Date of edition : 13/02/2023