

Procedure for exercising voting rights

PREAMBLE

EURAZEO (the “Company”) has set up a policy for exercising voting rights (the “Policy”) which presents the conditions under which the Company and the Group’s portfolio management companies intend to exercise the voting rights attached to the shares and units that they hold.

Eurazeo is a listed investment group governed by prevailing and future French and European laws. Its Management Company subsidiaries are AIFMs certified by the *Autorité des marchés financiers* or AMF (French Financial Markets Regulator) or the *Commission de surveillance du secteur financier* (Financial Sector Supervisory Commission) (together referred to as “the Supervisory Authorities”) and bound to their respective regulations.

The Company is managed in its corporate interest, taking into consideration the social and environmental challenges of its business in accordance with Article 1833 of the French Civil Code as amended by the PACTE Law. The Company observes the Code of Corporate Governance as revised by AFEP and MEDEF in January 2020. The AFEP/MEDEF Code presents a set of strict and precise recommendations on corporate governance aimed at improving how companies operate and are managed in full transparency in order to satisfy the expectations of investors and the public.

This Policy is a framework procedure applicable to the Company and each Group portfolio management company (“PMC”), i.e. Eurazeo PME, Idinvest Partners and Eurazeo Fund Management Luxembourg. For AMF-certified management companies, this Policy forms part of the shareholder engagement policy referred to in section I of Article L.533-22¹ of the French Monetary and Financial Code as amended by the PACTE Law.

The Policy describes:

- the governance principles to which each entity intends to refer when exercising voting rights, corresponding to the various types of resolution submitted to shareholders’ meetings;
- how each entity is organized to exercise voting rights as well as the bodies responsible for analyzing and assessing submitted resolutions and those responsible for deciding on votes to be cast;
- the procedures implemented to identify, prevent and manage conflicts of interest that may hinder the free exercise of voting rights;
- the method of exercising voting rights;
- information on the exercise of voting rights.

¹ See Appendix

I - Governance principles and voting recommendations

A – Governance principles

Voting rights are exercised in the exclusive interest of Company shareholders and unitholders in the funds managed by the PMCs in order to boost the long-term value of their investments.

Voting procedures are applicable to the securities held, irrespective of whether they are admitted or not for trading on a regulated or similar market in accordance with the regulations and recommendations of the professional associations of which the Company and the PMCs are respective members. The PMCs also act as advisors to their investors. Furthermore, within the PMCs, this Policy is based on a “one share, one vote” principle².

Accordingly, voting is assessed with respect to the initial investment strategy and any agreements in place (shareholders’ agreement, etc.), the business plan of the relevant company and the development of its activity and outlook.

In the event of an evolution of the activity in line with the development plans that drove the investment in the portfolio companies, management teams responsible for monitoring portfolio companies are most often in agreement with portfolio company management on the resolutions submitted to shareholders’ meetings. These primarily concern the approval of the accounts, appropriation of earnings, appointment or dismissal of corporate bodies, approval of “regulated agreements” and the appointment of the statutory auditors.

In the event of differences of opinion with portfolio company management regarding certain resolutions submitted to shareholders’ meetings, or should the change in activity no longer be in line with the development plan that drove the investment by the funds or should the strategy adopted by portfolio company management differ from the common goal determined when conducting the investment, the PMCs may vote against the adoption of certain resolutions submitted to shareholders’ meetings to safeguard the interests of fund subscribers.

The Company and PMCs cannot temporarily assign shares.

B - Voting recommendations

The following recommendations shall provide guidance for the direction of voting at the ordinary and extraordinary shareholders’ meetings of portfolio companies, subject to specific circumstances that may apply:

² *This principle may be adapted according to the legal structure of the transaction, particularly for “management companies” and when setting up specific instruments (preferred shares, etc.)*

- **Decisions resulting in an amendment to the bylaws:** depending on the planned amendment, voting should be in favor of shareholders and unitholders;
- **Bylaw amendments with a negative impact on the rights of shareholders:** priority must be given to protecting existing shareholders. Votes should be cast in the interest of shareholders and unitholders;
 - change in management structure: *société anonyme* with a Board of Directors, *société anonyme* with a Supervisory Board, creation of foreign entities, etc.;
 - double voting rights, limitation on voting rights;
 - majority dividend, creation of preferred equity securities.
- **Capital transactions deemed as anti-takeover measures (issues of reserved subscription warrants, share buyback program, etc.):** votes should be cast in the interest of shareholders and unitholders.
- **Capital transactions that are dilutive for shareholders (share capital increase without preferential subscription rights, greenshoe, loan issues, etc.):** according to the needs of the activity and the interest of shareholders and unitholders;
 - dilution of share capital and dividends;
 - the company's level of growth and working capital requirements;
 - waiver of preferential subscription rights assessed according to the authorized amount, the issue price and whether or not there is a priority subscription period;
 - issue of securities by subsidiaries granting access to the issuer's share capital.
- **Share ownership for management and employees (free share or stock option grants, etc.):** Management with due care must be prioritized;
 - level of dilution for shareholders;
 - discount level;
 - transparency of the proposed formulae.
- **Approval of the accounts and appropriation of earnings:** agreement subject to the review of the accounts and the statutory auditors' certification;
 - quality of the information presented to shareholders: transparency, clarity, availability, relevance of accounting changes.
 - rate and type of dividend distribution (cash or equity), payment of an exceptional dividend or justification of share buybacks or share capital decreases.
- **Appointment and dismissal of corporate bodies (percentage of directors with no interests, etc.):** to be qualified on a case-by-case basis;
 - quality of the information presented by issuers, used to express an opinion on the competency and experience of the proposed member;
 - CV and number of offices held by the proposed member;
 - number of independent directors.
- **Approval of regulated agreements**
 - transparency and analysis of impacts on results;
 - agreement unless major difficulty or abuse.
- **Compensation of corporate officers:** agreement unless major difficulty or abuse;
 - calculation rules and procedures;

- market standards and specific situation of the relevant company.
- **Equity security issue or buyback programs:** according to the portfolio company's interests;
- **Appointment of statutory auditors (Appointment, Compensation):** agreement unless major difficulty or abuse.
- analysis of the breakdown of engagement or audit fees.

II - Organization and exercise of voting rights

A - Governance and analysis of resolutions

The Portfolio Company Manager analyzes and assesses the resolutions submitted to shareholders' meetings in accordance with this Voting Policy and in the exclusive interest of shareholders and unitholders.

Each Portfolio Company Manager is responsible for gathering shareholder meeting information (date, terms and conditions, resolutions) for each portfolio company he monitors.

Depending on the portfolio company's activity, an adapted voting procedure may be set up to take into account specific operational aspects.

In the event of any doubt or difficulty in analyzing and assessing a resolution, the Portfolio Company Manager may refer it to his immediate superior with the support of the Group Legal Department. If the resolution is not referred to PMC management, the Portfolio Company Manager is responsible for voting. He may report any votes against the resolutions proposed by portfolio company management bodies to his immediate superior and the Legal Department.

The Portfolio Company Manager must be able to report at any time on the exercise of voting rights and his voting choices, while retaining a copy and trace of emails and votes by correspondence or proxy.

B - Exercise methods

Voting at Shareholders' Meetings can be conducted by any means with a preference is given to voting by physical attendance. The Portfolio Company Manager may vote by correspondence, proxy, or mail or by email when online voting has been set up, under the terms and conditions set forth by prevailing laws and regulations.

In all cases, the right to vote is exercised **without any minimum shareholding requirement** and without distinction as to the nationality of the portfolio companies held by the Funds, or the type of fund management.

C - Conflicts of interest

Conflicts of interest may be prevented by complying with the governance principles set out in this document.

The Portfolio Company Manager is fully independent in applying the Policy, while allowing for a certain degree of control by PMC management bodies.

In the event of a potential conflict of interest, please refer to the conflict of interest management procedure.

III - Information and availability

A - PMC yearly report

The yearly report on the implementation of the shareholder engagement policy referred to in section I of Article L. 533-22 mainly includes:

- 1° A general description of how voting rights were exercised;
- 2° An explanation of the choices made on the most significant votes;
- 3° Information on any services rendered by voting advisors;
- 4° The direction of the votes cast during shareholders' meetings. This information may exclude minor votes due to their purpose or the size of the stake in the company.

The shareholder engagement policy is available to the public on the website of the relevant companies, free of charge, as is the yearly report for PMCs under the supervision of the AMF.

For listed portfolio companies, this report shall be made available to the Supervisory Authorities. It may be consulted by sending a simple request to the head office.

B - Information for unitholders

The information on the exercising of voting rights for each resolution presented to the shareholders' meeting of a portfolio company held by the PMCs shall be available upon request to any unitholder and the Supervisory Authorities. Accordingly, the Management Company shall indicate:

- votes against resolutions proposed by the Management Board or Board of Directors of the issuing company;
- votes that do not comply with the principles set out in this Voting Policy;
- cases of abstention, if applicable.

If the Management Company does not reply to a request for information on a resolution vote, it may be construed, after one calendar month, that it has voted in accordance with the principles set out in this Voting Policy and with the proposals of the Management Board or Board of Directors.

C - Availability

This Voting Policy may be consulted on the following websites: <https://www.eurazeo.com/fr/>, <https://www.idinvest.com/fr>, <https://www.eurazeo-pme.com/>

APPENDIX
EXTRACTS FROM THE FRENCH MONETARY AND FINANCIAL CODE

Article L533-22

- Amended by Law 2019-486 of May 22, 2019 - Art. 198 (V)

I.-The portfolio management companies mentioned in Article L. 532-9, except for those exclusively managing AIFs covered by section I of Article L. 214-167, AIFs covered by section IV of Article L. 532-9, AIFs covered by the second paragraph of section III of Article L. 532-9 or managing other collective investment funds mentioned in Article L. 214-191, shall prepare and publish a shareholder engagement policy that describes how they integrate their role as shareholder in their investment strategy. They shall publish a yearly report on the implementation of this policy.

The content and means of publication of this policy and its report shall be determined by decree in the Council of State.

The persons mentioned in the first paragraph of section I need not comply with one or more of the requirements set out in this Article if they publish the corresponding reasons on their website.

II.-When a company mentioned in 1° of Article L. 310-1 of the French Insurance Code, a company mentioned in 1° of section III of Article L. 310-1-1 of the same code which reinsures the commitments mentioned in 1° of Article L. 310-1 of said code, a supplemental professional retirement fund mentioned in Article L. 385-7-1 of the same code, a mutual health insurance firm or a supplemental professional retirement union mentioned in Article L. 214-1 of the French Mutual Benefit Insurance Code or a supplemental professional retirement institution mentioned in Article L. 942-1 of the French Social Security Code enters into a contract, based on a portfolio management or collective investment fund subscription mandate mentioned in Article L. 214-1 of this code, with a portfolio management company mentioned in the first paragraph of section I of this Article, the latter shall report on how its investment strategy and its implementation comply with such agreement and contribute to the mid- and long-term performance of the assets of the co-contracting investor or the collective investment fund.

The content and means of publication of this report shall be determined by decree in the Council of State.

III.-When a person bound by this Article does not comply with one or more of its provisions, any person concerned may ask the presiding judge of the court, ruling in summary proceedings, to order such person to do so, where necessary, subject to penalties.

N.B.:

In accordance with section V of Article 198 of Law 2019-486 of May 22, 2019, these provisions shall come into effect on a date set by decree, and by June 10, 2019 at the latest.

Article R533-16

- Amended by Decree 2019-1235 of November 27, 2019 - Art. 4

I.-The **shareholder engagement policy** mentioned in section I of Article L. 533-22 shall describe how the following are conducted:

- 1° Monitoring of strategy, financial and non-financial performances, risks, capital structure, social and environmental impact and corporate governance;
- 2° Discussions with companies held;
- 3° Exercise of voting rights and other rights attached to shares;
- 4° Cooperation with other shareholders;
- 5° Communication with relevant stakeholders;
- 6° Prevention and management of actual or potential conflicts of interest in relation to their engagement.

Certain information need not feature in the shareholder engagement policy if the reasons why it is excluded are specified in the policy.

In connection with their shareholder engagement policy, portfolio management companies exercise the rights attached to the securities held by UCITS and AIFs covered by paragraphs 1, 2 and 6 of sub-section 2, paragraph 2 or sub-paragraph 1 of paragraph 1 of sub-section 3, or sub-section 4 of section 2 of Chapter IV, Title I, Book II of this code that they manage in the exclusive interest of shareholders or unitholders of these UCITS and AIFs.

II.-The yearly report on the implementation of the shareholder engagement policy mentioned in section I of Article L. 533-22 shall mainly include:

- 1° A general description of how voting rights were exercised;
- 2° An explanation of the choices made on the most significant votes;
- 3° Information on any services rendered by voting advisors;
- 4° The direction of the votes cast during shareholders' meetings. This information may exclude minor votes due to their purpose or the size of the stake in the company.

Certain information need not feature in the yearly report if the reasons why it is excluded are specified in the report.

III.-The shareholder engagement policy and its yearly report are available to the public, free of charge, on the website of the relevant companies.

IV.-The laws and regulations governing the conflicts of interest of the companies covered by Article L. 533-22 also apply to the preparation and implementation of the shareholder engagement policy.

N.B.:

In accordance with Article 9 of Decree 2019-1235 of November 27, 2019, any persons bound by an obligation to communicate or publish information pursuant to Articles 4, 5 and 6 shall do so no later than three months following the publication of this decree.

Article R533-16-0

Created by Decree 2019-1235 of November 27, 2019 - Art. 4

I.-The report mentioned in section II of Article L. 533-22 shall include the following information:

- 1° Most important mid- and long-term risks related to investments under the contract;
- 2° Composition, turnover and turnover costs of the portfolio managed under the contract;
- 3° Where necessary, any services rendered by voting advisors under the shareholder engagement policy mentioned in section I of Article L. 533-22;
- 4° Portfolio management company regular practices regarding security lending, and, where necessary, how they are applied under the shareholder engagement policy during the shareholders' meetings of companies held under the contract;
- 5° An assessment of the mid-and long-term performance of the companies held under the contract, including non-financial performance and, where necessary, assessment methods;
- 6° Conflicts of interest that occur when implementing the shareholder engagement policy, and, where necessary, how they are managed.

II.-The information referred to section I shall be communicated annually to the co-contracting investor mentioned in section II of Article L. 533-22. Depending on the case, it may be communicated at the same time as the annual report referred to in Article L. 214-23 or that referred to in Article L. 214-24-19, or the report referred to in Article L. 533-15. This is not required if such information is already available to the public on the portfolio management company website.

Where this information is not covered by a portfolio management mandate, holders of units or shares in collective investment funds may ask the portfolio management company to communicate such information free of charge.

N.B.: In accordance with Article 9 of Decree 2019-1235 of November 27, 2019, any persons bound by an obligation to communicate or publish information pursuant to Articles 4, 5 and 6 shall do so no later than three months following the publication of this decree.