

Proxy Voting Policy

I. Definition

Each public company security holder registered in the books of the company has a right to vote at the annual or special meeting of the company. This right allows each shareholder who wishes to get involved in the life of the company. To this end, shareholders receive documentation to vote with all the necessary information.

II. Context

The portfolio management services of Allard Allard & Associés (“AA&A”) are offered to its clients by signing a management agreement as well as a power of attorney.

With these documents, AA&A undertakes to manage the assets and voting rights of clients placed under its responsibility in good faith, with honesty, fairness and loyalty, to the best of its knowledge and with the care that can be expected of a knowledgeable professional.

Through its mandate with clients, AA&A manages the voting rights of all clients for each of the companies held in the portfolios. For some securities, the position held for clients may represent a large percentage of votes. Therefore, the fact of voting or abstaining can have an impact on the life of the company and on the maintenance of its value over time.

In January 2018, AA&A became a signatory to the United Nations Principles for Responsible Investment (“PRI”). One of the six pillars of PRI concerns voting rights and shareholder engagement.

It is in this context that AA&A has decided to formalize this Voting Rights Policy.

III. Follow-up criteria for preparing for the vote

In general, AA&A has based its policy on compliance with Environmental, Social and Governance Factors (“**ESG Factors**”) in accordance with the requirements of the PRI.

For this, before the votes, the AA&A investment team analyzes the monitoring criteria below, which are not exhaustive and are grouped according to ESG Factors.

a. Environment

- Climat change

AA&A tries to validate, through the information made available by the companies and by other sources, the consideration of climate change by its companies held in the portfolio.

- Energy transition policy

AA&A ensures that companies have begun to put in place concrete objectives and means to respond to the reduction of fossil fuel consumption and their rejection within the production chain and the company as a whole.

b. Social

- Work conditions

AA&A tries to identify whether the working conditions of employees of a company still comply with local regulations.

- Diversity

AA&A monitors whether companies respect diversity broadly in their organization and in their business relationships.

- Impact on the local population

AA&A tries to become aware of and value the impact of the presence of the activities of the companies on their production site.

c. Governance

- *Board of directors*

AA&A monitors the composition of the board of directors to ensure gender parity and ensures, to the extent possible, that the directors perform their duties in the interests of the company and not in their own interests.

- *Compensation*

AA&A verifies that the overall compensation of senior management and directors remains consistent with the competition and in line with the financial condition of the company. In addition, AA&A verifies that incentive compensation respects the success of the company's strategic plans and development without inducing managers to do wrongful acts for the sake of profit.

In particular, it seeks to ensure that incentive compensation is well aligned with the best interests of shareholders.

- *Independent auditor*

AA&A ensures that the independent auditor has a solid reputation in the market and that his fees are consistent for the work performed.

- *Strategic plan*

AA&A verifies that the decisions made by senior management are in line with its investment thesis in order to create value for the company and for shareholders over the long term.

- *Shareholder proposal*

AA&A studies shareholder proposals and supports them if they are in line with its investment thesis and respect the PRI criteria.

IV. Implementation within AA&A

The implementation within AA&A is carried out in a simple way, without the use of external consultants, in three stages:

- *Receipt of the voting documents sent by the companies*

The AA&A operations team receives them by mail or email. Whenever possible, the team tries to receive documents by email, but some companies do not offer this service.

Once the documents have been received, the AA&A operations team updates its database for the votes, then a request is made to the AA&A investment team to obtain their opinion on the voting choices to be made.

- *AA&A Investment Team Voting Picks*

The AA&A investment team regularly monitors the companies in its portfolio and the criteria mentioned above. It therefore has in its possession a certain amount of information allowing the team to provide its choices of votes in a diligent manner.

The final decision for voting choices is validated during a meeting of the internal investment committee.

- *Execution of the vote*

Upon receipt of the voting choices from the AA&A investment team, the AA&A Operation team updates the database to be able to produce an annual or on-demand report on the exercise of the voting rights.

The AA&A Operation team submits all votes.

V. Policy review

AA&A commits to reviewing and changing its policy as needed every three years.