



VOTING POLICY

GENERAL VOTING PRINCIPLES



UNION BANCAIRE PRIVÉE

Commitment

As a supporter of the twelve principles of the **UK Stewardship Code** (Asset Management division) and as a signatory to the **United Nations Principles for Responsible Investment (UN PRI)** since March 2012, the UBP Group is committed to be an active owner and **incorporate Environmental, Social and Governance (ESG)** issues into its **ownership policies and practices**, in line with the **UN PRI Principle 2**.

UBP believes that voting rights enable investors to preserve long-term economic value through the promotion of corporate governance and sustainable best practice. This voting policy thus aims to achieve **two primary objectives**:

- To **act in the best financial interests** in order to enhance the long-term shareholder value, and
- To **promote ESG best practice**.

UBP Asset Management (Europe) S.A. (hereinafter "UBP AM") acting on behalf of the funds under its management (hereinafter the "Funds"), is responsible for the exercise of voting rights linked to the instruments held in the Funds' portfolios. Therefore, UBP AM must implement an adequate and effective strategy for determining when and how voting rights attached to the instruments held by its Funds are exercised for the sole benefit of the Funds and the shareholders. Moreover, UBP AM shall ensure that voting rights are exercised in accordance with the investment objectives of the Funds and the Responsible Investment Policy of the UBP Group.

UBP S.A. applies the same guidelines and principles when voting on behalf of the institutional investors of its Asset Management division (hereinafter the "Investors") for whom they manage equity mandates, subject to their approval.

Hereinafter, UBP refers to both UBP S.A. and UBP Asset Management (Europe).

Principles for exercising voting rights

UBP, acting on behalf of the Funds or of its Investors is responsible for the exercise of voting rights actively, independently and exclusively in the interest of the Funds and Funds' shareholders or of its Investors.

Proxy voting and the analysis of corporate governance issues in general are important elements of the portfolio management services provided to the Funds/to Investors who have authorised UBP to address these matters on their behalf. The guiding principles in performing proxy voting are to make decisions that (i) favour proposals that in UBP's view tend to maximise Funds' / Investors' shareholders value, (ii) are not influenced by conflicts of interest, (iii) integrate sustainability considerations and (iv) factor the cost to the Funds/Investors (e.g., ballot charges or share-blocking).

For Mandates, the decision to exercise voting rights is subject to the Investor's approval.

For Funds, the approach of UBP is to determine, based on these guiding principles, when it is in the best interest of the Funds and Funds' shareholders to effectively exercise voting rights attached to the financial instruments held in the various portfolios under management.

This analysis is performed based on the costs/benefits ratio linked to the exercise of proxy voting and leads to the allocation of the sub-funds managed by UBP AM in two distinct categories:

- **Type 1 sub-funds:** Sub-funds for which it is efficient and in the best interests of the Funds' shareholders to actively participate in the voting rights exercise, as well as sub-funds where active ownership is prescribed by their investment policy.
- **Type 2 sub-funds:** A limited number of sub-funds (e.g., with limited AUMs or disproportionate voting costs) for which it is - in principle – not efficient or considered not in the best interest of the Funds' shareholders to actively participate in the voting rights exercise mainly due to associated costs.

As a rule, in the absence of disproportionate voting costs, all equity sub-funds and sub-funds that invest significantly in equities, with Assets under Management above EUR 15 million are Type 1 sub-funds.

In practice, the voting rights attached to the securities held by sub-funds/mandates will be exercised by ISS, which has been appointed by UBP to assist with the implementation of certain proxy voting functions, to act in the best interest of the Investors / of the Funds and the Funds' shareholders, and to oppose any proposal or action which would materially reduce and/or damage shareholders' rights, including those that reflect failures to manage ESG and Climate risks.

Voting rights are exercised on the basis of the principles stipulated in ISS Sustainability Policy Guidelines. These principles are compatible with the investment policy pursued by each of the sub-funds/mandates impacted and are applied in the context of the global UN PRI engagements of the UBP Group and of the net zero commitment of UBP Asset Management (Europe).

An Investment Manager may propose an override of ISS recommendation. Such override proposal needs to be approved by at least one of the co-CEOs of UBP Asset Management division, or by the UBP Asset Management division's Head of Responsible

Investment. UBP will check if the overrides are in line with the above-mentioned guiding principles and the main voting principles below. If not or in case of doubt, a voting committee will be convened to rule on the request for change.

The main voting principles can be summarized as follows:

Board of Directors:

Board diversity	Generally, vote against or withhold from the chair of the nominating committee if the board lacks at least one director of an underrepresented gender identity, which includes women.
Board independence	Generally, vote against the election or re-election of any non-independent directors (excluding the CEO) if: Non-controlled companies: <ul style="list-style-type: none"> - Less than 50 percent of the shareholder-elected Board – excluding, where relevant, employee shareholder representatives - is independent, or - Less than one-third of all board members are independent. Controlled companies: <ul style="list-style-type: none"> - Less than one-third of the board members are independent.
Combined Chair/CEO	Generally, vote against the (re)election of combined chair/CEOs.
Overboarded Directors	Generally, vote against a candidate when they hold an excessive number of board appointments, as referenced by the more stringent of the provisions prescribed in local law or best practice governance codes, or the following guidelines: <ul style="list-style-type: none"> - More than five mandates at listed companies (a non-executive directorship counts as one; a non-executive chair position counts as two; an executive directorship counts as three), or - One position of executive director at one company and a position as non-executive chair at another company.
Material ESG failure	Vote against or withhold from directors individually, on a committee, or potentially the entire board due to: <ul style="list-style-type: none"> - Material failures of governance, stewardship, risk oversight, include on climate change, or fiduciary responsibilities at the company, including failure to adequately manage or mitigate environmental, social and governance (ESG) risks; - A lack of sustainability reporting in the company's public documents and/or website in conjunction with a failure to adequately manage or mitigate ESG risks.
Climate accountability	For significant GHG emitters, through operations or value chain, generally vote against the Chairman, or the responsible incumbent director(s) in cases where the company is not taking the minimum steps needed to understand, assess and mitigate climate-related risks. Minimum combined steps required: <ul style="list-style-type: none"> - Detailed disclosure of climate-related risks according to the TCFD framework; - Appropriate GHG emissions reduction targets.
Discharge of Board and Management	Generally, vote for discharge of directors, unless there is reliable information about significant and compelling controversies that the board is not fulfilling its fiduciary duties, which includes failure to manage or mitigate ESG risks.

Operational items:

Appointment of auditors and audit fees	Vote against auditors where audit fees are undisclosed or fees for non-audit services exceed either 100 percent of standard audit-related fees or any stricter limit set in local best practice recommendations or law.
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Capital structure:

Share issuance requests	- Vote for general issuance requests with pre-emptive rights up to 50 percent of issued capital and as long as the share issuance authorities' periods are clearly disclosed Vote for general issuance requests without pre-emptive rights up to 10 percent of issue capital as long as the share issuance authorities' periods are clearly disclosed
Capital structures	Vote for resolutions that seek to maintain or convert to a one-share, one vote capital structure. Vote against requests for the creation or continuation of dual-class capital structures or the creation of new or additional supervoting shares.

Compensation:

Executive and non-executive compensation – Overall approach	<p>The assessment of compensation follows global corporate governance best practice and takes into account the following principles which underlie market-specific policies:</p> <ul style="list-style-type: none"> - Provide shareholders with clear, comprehensive compensation disclosures; - Maintain appropriate pay structure with emphasis on long-term shareholder value; - Avoid arrangements that risk “pay for failure;” - Maintain an independent and effective compensation committee; - Avoid inappropriate pay to non-executive directors.
Say on Pay (SoP)	<p>Vote case-by-case on management proposals for an advisory shareholder vote on executive compensation.</p> <p>Vote against in cases where boards have failed to demonstrate good stewardship of investors’ interests regarding executive compensation practices.</p>

Environmental and social issues:

Social and environmental Shareholder proposals – Overall approach	<p>Generally, supports standards-based ESG shareholder proposals that enhance long-term shareholder and stakeholder value while aligning the interests of the company with those of society at large. In particular, the policy focuses on resolutions seeking greater transparency and/or adherence to internationally recognized standards and principles.</p>
Climate change Shareholder proposals	<p>Vote for shareholder proposals seeking information on the financial, physical, or regulatory risks it faces related to climate change- on its operations and investments, or on how the company identifies, measures, and manage such risks.</p> <p>Vote for shareholder proposals calling for the reduction of GHG emissions.</p> <p>Vote for shareholder proposals seeking reports on responses to regulatory and public pressures surrounding climate change, and for disclosure of research that aided in setting company policies around climate change.</p> <p>Vote for shareholder proposals requesting a report/disclosure of goals on GHG emissions from company operations and/or products.</p>
Say on Climate (SoC)	<p>Management proposals:</p> <ul style="list-style-type: none"> - Vote case-by-case the approval of the company’s climate transition plan, taking into account the completeness and rigor of the plan (alignment with TCFD, commitment to net-zero, third party approval, etc.) <p>Shareholder proposals:</p> <ul style="list-style-type: none"> - Vote case-by-case on proposals that request the company to disclose its upcoming/approved climate transition action plan and provide shareholders the opportunity to express approval or disapproval of its GHG emissions reduction plan. Factors considered include, but are not limited to, completeness and rigor of the actual climate-related disclosures, actual GHG emissions and controversies related to GHG emissions.

Please, note that market-specific guidelines may apply. The full ISS Sustainability Proxy Voting Guidelines can be found at: <https://www.issgovernance.com/policy-gateway/voting-policies/>

UBP’s annual voting report and detailed voting record can be found at: <https://www.ubp.com/en/investment-expertise/responsible-investment>

Additional details, including regarding voting policy principles, together with the policy on exercising voting rights linked to instruments held in portfolios managed by UBP Asset Management (Europe), are available free of charge at its registered office:

UBP Asset Management (Europe) S.A.
287-289 route d’Arlon,
L-1150 Luxembourg
LUXEMBOURG