

Voting and Engagement Policy

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1 Introduction

1.1 Definitions

Unless the context expressly provides otherwise, capitalized words and expressions used in this Policy shall have the meaning given to them in the list of definitions of the AO/IC Handbook of OBAM IM.

In addition to the definitions defined in the Handbook, the following definitions are used in this policy. Words that are displayed in the singular have the same meaning in the plural and vice versa.

ESG	Environmental, Social and Governance
OECD	Organisation for Economic Cooperation and Development
Principal Adverse Impact (PAI) indicator	Negative, material, or likely to be material effects on sustainability factors that are caused, compounded by, or directly linked to investment decisions and advice performed by an asset management company.
Policy	This Voting and Engagement Policy
(UN) SDGs	The 17 Sustainable Development Goal(s) as developed by the United Nations (UN) and adopted by all United Nations Member States in 2015
Sustainability risk	An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment

1.2 Purpose and scope

Within the investment process, OBAM IM combines a solid understanding of investment and risk fundamentals with a clear vision of our sustainability principles. OBAM IM believes that sustainability issues impact the value and reputation of entities in which OBAM IM, on behalf of the Fund, invests. The Principal Adverse Impact (PAI) indicators as determined by relevant legislation thereby provide a framework to assess these investments. Furthermore, OBAM IM believes that a company that considers the interests of all stakeholders is a well-managed company, and therefore represents a natural investment proposition for long-term investors.

The promotion of good entrepreneurship via engagement and the voting at general meetings of shareholders are both important elements in the dialogue with companies in which the Fund invests. This commitment is an integral part of our investment process.

Our Voting and Engagement Policy describes the overarching voting and engagement framework. This Policy outlines what OBAM IM expects from public companies and how we implement our responsibilities as shareholder. The Policy explains our key voting and engagement principles, describes the process of exercising voting rights and engagement and outlines voting guidelines for each part of the best practices and abuses that may lead to a No vote or an abstention.

1.3 Legal framework

This Policy is governed by Article 126c Decree Conduct Supervision (*Besluit Gedragstoezicht financiële ondernemingen Wft*), which is based on Article 4:14 (2) c 5° DFSA (*Wet op het financieel toezicht*). Furthermore, the requirements regarding Principal Adverse Impact (PAI) indicators as laid down in both the Sustainable Finance Disclosure Regulation (SFDR) and SFDR Level 2 are integrated into this Policy as are the stipulations on how engagement policies should be adapted where there is no reduction of the PAI over more than one period reported on (article 8 SFDR Level 2).

This Policy should be read in conjunction with the Conflicts of Interest Policy.

1.4 Governance

The Management Board develops and implements this Policy. The CEO/CIO maintains the Policy. The CEO/CIO will involve, where necessary, the Legal and Compliance Officer and/or the Portfolio Management team, when performing this responsibility.

1.5 Evaluations of the Policy/Amendments to this Policy

This Policy is adopted by the Management Board.

OBAM IM will evaluate the effectiveness of this Policy at least annually, to safeguard compliance with laws and regulations and to reflect the evolution of corporate governance code and market practices and are approved by the Management Board. The CEO/CIO will perform a yearly review and undertake the required updates if that would be the outcome of the review.

This Policy can be amended at all times by a decision of the Management Board. Staff will be informed of any material change to this Policy within due time.

2 Voting and engagement principles

Corporate governance provides a framework for the sound management of companies and for a good representation of the interests of shareholders and other stakeholders. OBAM IM believes that all companies in which it invests on behalf of the Fund, must apply high standards in the field of corporate governance.

The following principles describe OBAM IM's expectations of the public companies in which OBAM IM invests on behalf of the Fund:

- focus on long-term sustainable value creation;
- protection of shareholders' rights;
- guaranteeing an independent and efficient governance structure;
- align incentive structures with the long-term interests of stakeholders;
- good performance in the field of sustainability; and
- accurate, efficient, and timely disclosure of information.

These principles act as a guiding framework by which OBAM IM executes its ownership responsibilities when executing the voting rights and/or during engagement activities. The principles are further described in the next sub sections.

2.1 Focus on long-term sustainable value creation

The Management Board of a portfolio company plays a critical oversight role to ensure that a company delivers long-term sustainable value. Corporate governance practices should keep the Management Board's attention focused on this goal with a clear and sustainable strategy that takes into account the interests of all key stakeholders. A portfolio company's stakeholders are not just its investors, but also its employees, customers, the community, and the environment. The Management Board should maintain an open dialogue with the shareholders and other key stakeholders and be prepared to discuss their long-term plans for sustainable value creation.

2.2 Protect shareholders' rights

Shareholders play a key role in our system of corporate accountability and value creation. Our rights as shareholder in portfolio companies of the Fund allow us to take action to defend the interests of the investors in the Fund when companies underperform our expectations. It is therefore critical that shareholder rights be preserved and, where necessary, strengthened:

- companies should ensure that the rights of all shareholders, including the Fund, are protected and should treat shareholders equitably, notably by respecting the principle of one share - one vote - one dividend;
- all shareholders should be given the opportunity to vote on all decisions concerning fundamental corporate changes;
- capital increases should be carefully controlled to minimize dilution of existing shareholders;
- anti-takeover devices should not be used; and
- shareholders should have opportunities to address material concerns, including through direct access to the proxy to nominate directors and through the submission of shareholder proposals.

2.3 Guaranteeing an independent and efficient governance structure

There should be a sufficient counter-balancing structure at the board of the portfolio company and its committees with a strong presence of qualified, engaged, and independent directors to allow for effective oversight of management, with independent leadership. Formal evaluation of the board, executive sessions and succession plans should be in place. Board composition should include the expertise necessary to understand and address emerging risks facing the portfolio company and its key stakeholders.

2.4 Align incentive structures with long-term interests of stakeholders

Executive compensation plans should be aligned with the long-term performance of the portfolio company, and should discourage irresponsible risk-taking, strengthen employee loyalty, take into consideration their impact on inequality, and aim to foster inclusive growth. OBAM IM will only vote for an executive compensation plan when it includes non-financial targets, including those relating to sustainability risks and opportunities. Compensation programs should not restrict the portfolio company's ability to attract and retain talented executives and should respect best market practices. They should be disclosed to shareholders in a clear and thorough way and be subject to shareholder approval.

2.5 Good performance in the field of sustainability

We believe that sustainability issues impact the value and reputation of entities in which we invest, in addition to driving systemic risks and opportunities. OBAM IM is therefore committed to incorporate sustainability standards into our investment processes and voting criteria, in the long-term interests of our investors.

- *sustainability risks*: long-term sustainable returns depend upon proactive and effective management of sustainability and opportunities. OBAM IM expects portfolio companies to understand the sustainability risks they face and the risks they create, as well as the opportunities that sustainability might bring to their businesses, and to act responsibly towards all stakeholders;

- *comply with our sustainable investment principles*: all companies should strive to meet high corporate governance, environmental and social standards to protect stakeholders' long-term interests. OBAM IM expects that portfolio companies comply with the sustainable investment principles that OBAM IM supports. OBAM IM's sustainable investment principles are aligned with the UN Global Compact Principles; and
- *support SDGs*: through portfolio allocation, voting and engagement, OBAM IM can encourage portfolio companies to support the SDGs. OBAM IM expects that portfolio companies create a long-term sustainable strategy that also contributes to a better world by supporting one or more SDG's.

2.6 Accurate, efficient, and timely disclosure of information

OBAM IM expects all portfolio companies to communicate their goals, challenges, achievements and failures to shareholders and other stakeholders in a transparent and open way. Companies should ensure that timely and accurate disclosure is made on financial and operating results, ownership issues, lobbying activities, and performance on key ESG issues, including full disclosure of greenhouse gas emissions and commitments to combat climate change. Annual audits of the financial statements carried out on behalf of shareholders by independent external auditors should be required for all companies.

3 Voting and engagement approach

Through voting and engagement, OBAM IM intends to increase the value of the portfolio company.

OBAM IM wants to achieve its objectives by making sure that portfolio companies change their behavior. Voting and engagement instruments are used in a complementary way.

3.1 Voting approach

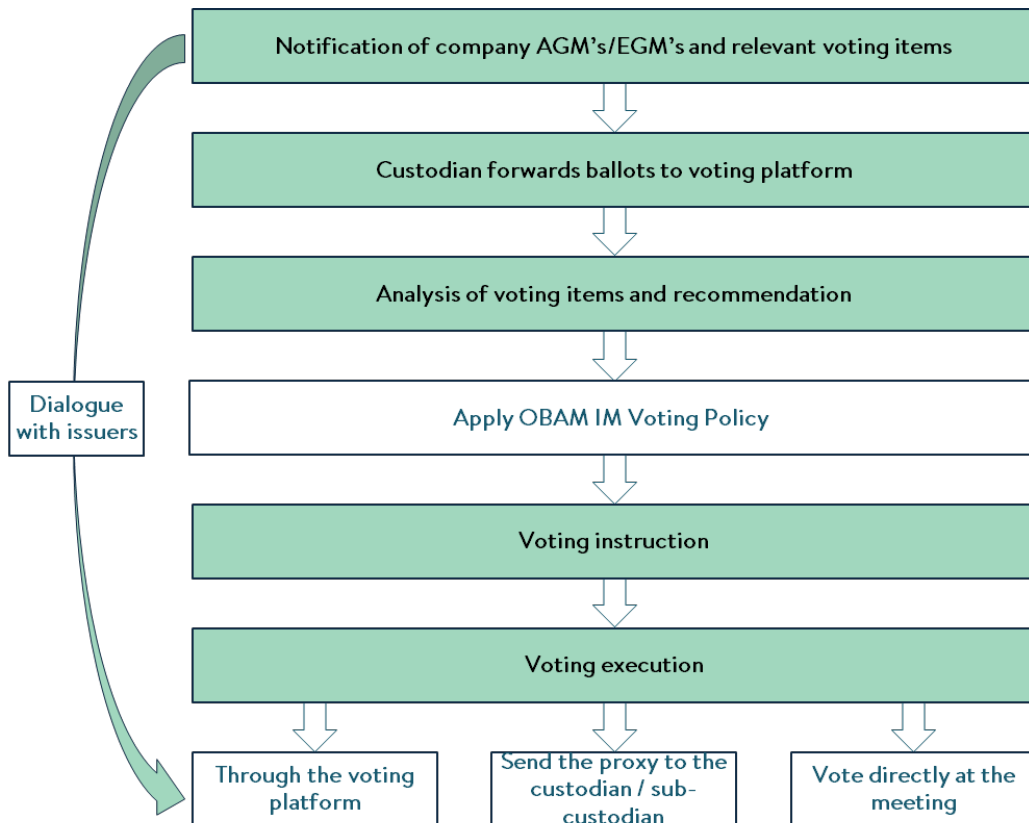
As a shareholder of a portfolio company, OBAM IM, on behalf of the Fund, has the right to vote at Annual General Meetings (AGM) or Extraordinary General Meetings (EGM). In principle, OBAM IM votes on 100% of the holdings held by the Fund. In executing our voting responsibilities, OBAM IM seeks to develop a generally constructive and positive approach with the boards of companies it invests in, clearly setting out its expectations as a diligent steward of assets. But OBAM IM will not hesitate to abstain or oppose management proposals that run counter to our policies, or support shareholder proposals consistent with our policies, as these policies are designed to advance the long-term interests of the investors in the Fund.

3.1.1 *Proxy voting process*

The voting process will be part of the investment process. The Portfolio managers will receive voting ballots of the companies included in the portfolio of the Fund.

OBAM IM uses the services of a proxy voting provider, which provides voting research and a voting platform for all portfolio companies. OBAM IM does not delegate decision-making authority to the proxy voting provider. The Portfolio Management team of OBAM IM will take each voting decision for every shareholder's meeting, based on the voting recommendation of the proxy voting provider and the outcome of additional internal analysis. The proxy voting provider will cast the vote in line with the voting instruction of the Portfolio Management team.

The following points outline the key steps of the proxy voting process from the notification of voting agendas in the context of Annual General Meetings (AGM) or Extraordinary General Meetings (EGM) to actual voting execution:



3.2 Engagement approach

OBAM IM maintains an active program of corporate engagement on a wide range of social, environmental and governance issues. These engagements are designed to enhance the long-term value of our shareholdings and to foster corporate governance best practices, social responsibility, and environmental stewardship.

3.2.1 Forms of engagement

Starting an engagement means entering a dialogue with a portfolio company to influence its behavior. Engagement plays a key role in the process of achieving the investment objectives of the Fund. Portfolio companies have an incentive to listen to shareholders, as they are providers of capital or owners of their organization.

OBAM IM conducts different forms of engagement:

- *responsive engagements*: responsive engagements are a direct response to the action or omissions of a portfolio company making the portfolio company:
 - violate one of the SDGs; or
 - violate OBAM IM's sustainable investment principles.

The aim of the engagement is not only to resolve the incident, but also to improve the portfolio company's future sustainability performance and risk management to ensure such incidents don't occur again.

- *proactive engagements*: proactive engagements focus on the opportunities to improve the corporate governance of the portfolio companies. Proactive engagement is conducted based on the drivers that OBAM IM has identified as material. For example, when the portfolio company has been added to our watch list because the portfolio company might have negative impact on our sustainable investment principles.

Engagements are longer-term trajectories. At the start of the engagement, the Portfolio Management team will determine relevant objectives of the engagement. During the engagement, OBAM IM monitors whether the portfolio company makes the expected progress.

Next to engagement, OBAM IM speaks with portfolio companies on an ad hoc basis. These dialogues with portfolio companies can be opened on our own initiative or on the request of the issuer and are concentrated on our main positions in terms of assets or where we hold a significant portion of the share capital. Our preference is to engage directly with directors (chair of the board or a committee). If this is not possible, we hold meetings with the secretary of the board, Investor Relations, or the Sustainability Investment team.

The goals of these dialogues are:

- *outside annual general meeting season*:
 - promote a regular dialogue with portfolio companies covering various topics such as strategy, long-term performance, risk management, sustainability issues or other emerging concerns; and
 - communicate our Voting and Engagement Policy to promote good corporate governance and to prepare for the next general meeting of the issuer.
- *during annual general meeting (AGM) season*:
 - obtain additional information on voting proposals, notably where they seem to depart from best governance practices; and
 - express our concerns about specific resolutions that contradict our voting Policy.

Depending on specific circumstances, the dialogue may lead to a modification or withdrawal of resolutions from the ballot before the annual general meeting, or the provision of additional information that prompts a change of our vote.

3.2.2 *Collaboration in engagements*

When collaboration in engagements is likely to enhance our ability to engage with a company, and it is permitted by law and regulation, OBAM IM will work with other investment firms or fund managers depending on the issue of concern and the alignment of views amongst the investor group. Collaboration can be sought for any type of engagement, be it responsive or proactive. OBAM IM

supports, among others, the following collaboration engagement initiatives: Sustainalytics B.V. supports OBAM IM in engaging with companies that severely and systematically violate international standards, such as the UN Global Compact Principles and the OECD Guidelines for Multinational Enterprises.

3.2.3 Escalation

Investor-issuer dialogue is the foundation of good stewardship – it allows for trusting relationships to be built over time, permitting candid solution-oriented discussions about issues that might not otherwise be addressed. Dialogue, however, is a two-way street and there are times when stronger measures are necessary to encourage a portfolio company to come to the table and discuss our concerns.

If the engagement is successful, engagement is closed. If engagement is unsuccessful over more than three years after investment, an assessment is made to establish the next steps to be taken. When a step-up of monitoring activity is required to ensure protection and enhancement of our investors' interests and shareholder value, OBAM IM can decide to, inter alia, implement the following escalation measures:

- *make a public statement*: OBAM IM can draft a public letter or investor statement, preferably with other investors, calling out the portfolio company on its performance and the need for improvement;
- *speaking at a shareholder meeting*: OBAM could visit the shareholder meeting and explain its position, asking the portfolio company to improve its performance.
- *(co)filing a shareholder resolution*: OBAM IM could (co)filling a shareholder relation to raise its concerns regarding the topic; or
- *disinvestment*: OBAM IM could consider reducing the size of its investment or exclude the portfolio company from the investment universe.

These decisions are taken on a case-by-case basis, to ensure that our concerns have been properly heard and dealt with.

3.3 Transparency and reporting

OBAM IM is committed to transparency in its voting and engagement approach and execution. OBAM IM publishes on a quarterly basis on the website of the Fund a Sustainability Report which amongst others outlines the exercise of the voting and engagement activities.

4 Voting guidelines

OBAM IM makes every effort to ensure a consistent exercise of voting rights linked to shares of companies included in the portfolio of the Fund. However, we do take into account specific circumstances relating to individual companies such as geographic and regulatory differences, as well as company size.

OBAM IM established general voting guidelines that form the basis for voting decisions, considering sustainability, internationally recognized best practice guidelines and material themes for investments. The general voting guidelines are outlined in section 4.1.

Based on the general voting guidelines, OBAM IM developed regular voting guidelines that provide detailed information on how OBAM IM will vote on the most common proxy voting items. The regular voting guidelines will be further described in section 4.2.

In addition to the regular voting process, shareholders have the right to file resolutions at shareholder meetings. OBAM IM recognizes and supports the strong contribution that shareholders make to shaping general meeting agendas by filing proposals. The shareholder proposal guidelines are outlined in section 4.3.

4.1 General voting guidelines

Voting decisions are based on the following considerations:

For:

- the proposed resolution reflects good practice and is in stakeholders' long-term best interests;
- the proposed resolution contributes to the SDGs;
- the proposed resolution has no principal adverse impact on our sustainable investment principles regarding: (i) human rights, (ii) labour rights, (iii) environment and (iv) corruption; and/or
- the proposed resolution does not increase the sustainability risk of the portfolio company materially.

Abstain:

- the proposed resolution raises issues of concern for stakeholders or lacks sufficient information;
- the proposed resolution does not outline the impact of the proposed resolution on the SDG's pursued by the portfolio company; and/or
- the proposed resolution does not consider sustainability risks.

Against:

- the proposed resolution is not acceptable and is not in the stakeholders’ long-term best interests;
- the proposed resolution has a negative impact on one or more of the SDGs;
- the proposed resolution has a principal adverse impact on our sustainable investment principles regarding: (i) human rights, (ii) labour rights, (iii) environment and (iv) corruption or leads to a violation of our sustainable investment principles;
- the proposed resolution (in)directly relates to the expanding of the portfolio company’s activities in sectors and jurisdictions included in OBAM’s exclusion list; and/or
- the overall sustainability risk of the portfolio company increases materially by the proposed resolution.

4.2 Regular voting guidelines

OBAM IM develops regular voting guidelines regarding five common proxy voting items:

1. reports and approval of accounts;
2. financial operations;
3. board elections;
4. remuneration; and
5. other voting items.

For each item, the general voting policy highlight criteria that reflect or tend towards best practices and that we actively support, as well as issues that may trigger an “against” or “abstain” vote. These factors tend to have a significant impact on our voting decisions but do not automatically imply an “against” or “abstain” vote as we consider the specific circumstances of each portfolio company.

4.2.1 Reports and approval of accounts

Voting issue	For	Abstain	Against
Financial Statements / Director and Auditor Reports	<ul style="list-style-type: none"> • Information provided by the board presents a full and fair view of company affairs and financial situation, at least 21 days before the AGM. • The accounts have been recommended by an 	<ul style="list-style-type: none"> • The accounts are not available at the cut-off date to cast our vote. • The company does not provide adequate disclosure on environmental and social issues either in its annual report or elsewhere. • The company does not report properly on their carbon footprint and does 	<ul style="list-style-type: none"> • The auditors express reservations or refuse to certify the accounts after having discovered serious irregularities. • The board has not set up an audit committee (to be reviewed on a case-by-case basis for

Voting issue	For	Abstain	Against
	<p>independent¹ audit committee.</p> <ul style="list-style-type: none"> The company provides adequate disclosures on key financial and extra-financial risks. The annual report pays sufficient attention to sustainability issues or the company has published a comprehensive sustainability report. 	<p>not communicate, nor does it want to engage in relation to its business strategy to mitigate and adapt to climate change.</p>	<p>smaller companies and market practice)²</p> <ul style="list-style-type: none"> The company has engaged in serious violations of the UN Global Compact Principles and/or the OECD Guidelines for Multinational Enterprises.
Discharge of board and management	<p>There is no contentious issue about the board or the management of the company.</p>	<p>There are serious questions about actions of the board or management for the year in question.</p> <ul style="list-style-type: none"> Legal action is being taken against the board by other shareholders. The auditors had serious reservations about the financial statements or refused to certify the accounts. 	
Allocation of Income	<ul style="list-style-type: none"> A sustainable dividend is a dividend with a reasonable pay-out ratio that does not undermine the company's capacity to invest for the future and does not affect the remuneration of other stakeholders. The company has provided sufficient information to indicate the level of dividend. The company can also opt for share buybacks instead of, or complimentary to dividend as way to allocate income, provided that it also does not undermine the company's long-term future, and sufficient information for the level of buybacks is provided. 	<ul style="list-style-type: none"> The pay-out ratio is excessively higher compared to last year and the company has failed to provide an explanation for this modification (to be reviewed on a case-by-case basis for growth companies which usually need to conserve more cash than mature companies). The mark-up of the preferred dividend is more than 10% of the regular dividend. The company does not have a sustainable dividend in place. We consider the pay-out ratio to be excessive if the company has a ratio above 100% for two consecutive years or the level could compromise the long-term strategy of the company. 	
Appointment of Auditors and Approval of Audit Fees	<ul style="list-style-type: none"> The auditors have been recommended by an 	<ul style="list-style-type: none"> Advisory or audit fees are not disclosed. 	<ul style="list-style-type: none"> The board has not set up an audit committee. For smaller companies that

¹ The audit committee is composed of more than 50% independent members, does not include an executive director, and its members have financial competence.

² Market capitalization under 1 billion Euros

Voting issue	For	Abstain	Against
	<p>independent audit committee.</p> <ul style="list-style-type: none"> The audit committee has disclosed its policy for the provision of non-audit services by the auditors (e.g. excluded services and pre-approval works). There is full disclosure of audit fees and advisory fees. The auditors do not provide advisory services. Otherwise, the remuneration for advisory services does not cast doubt on the auditor's independence. There is a mandatory rotation of the auditors after no more than 15 years, with a clear water period of at least 5 years before the auditor can be re-appointed. 	<ul style="list-style-type: none"> Audit fees are equal to non-audit fees, presenting a potential conflict of interest. 	<p>lack an audit committee, an exception can be made, if at least one non-executive member with relevant financial knowledge and experience sits on the board.</p> <ul style="list-style-type: none"> There are potential concerns regarding the independence of the auditors, such as: <ul style="list-style-type: none"> Non-audit fees exceeding audit fees European based companies and non-US companies: Appointments exceeding the duration of three mandates, but in any case, no longer than 21 years. US based companies: Appointments exceeding a 30 years mandate. There is reason to believe that the independent auditor gave an opinion that is neither accurate nor indicative of the company's financial position. We will consider voting against the reappointment of auditors when a company is exposed to material sustainability risks, but an explicit sustainability audit is lacking.

4.2.2 Financial operations

Voting issue	For	Abstain	Against
Authority to issue shares or securities giving access to capital	<ul style="list-style-type: none"> The authority respects the “one share – one vote – one dividend” principle. The authority is suitably justified and limited, in amount and duration (two years). The authority includes pre-emptive rights (or otherwise priority rights of at least 5 days), does not create significant imbalances between the different categories of shareholders, and avoids the dilution risk for current shareholders. 	<ul style="list-style-type: none"> The authority respects our limits, but all share issues authorities in aggregate exceed 50% of the issued share capital. 	<ul style="list-style-type: none"> The authority with pre-emptive rights exceeds 50% of issued share capital (to be reviewed on a case-by-case basis)³. The authority without pre-emptive rights and with priority rights or with a specific object⁴ exceeds 20% of issued share capital. The authority without pre-emptive rights and without priority rights exceeds 5% of issued share capital (to be reviewed on a case-by-case basis). The authority is likely to be used as an anti-take-over measure.

³ Exceptions from these guidelines may be granted if the Board can give a compelling justification for an increase in excess of the guidelines (e.g., for the financial services industry in light of the regulatory capital ratio requirement).

Voting issue	For	Abstain	Against
Share Repurchase Plan	<ul style="list-style-type: none"> Share repurchase represents best use of company resources and is limited both in volume and duration, the discount is limited, and the authorization does not exceed 18 months. 	<ul style="list-style-type: none"> The maximum upward and downward deviation exceeds 5% of the average market price over a representative period or 10% if the resolution refers to a day price. 	<ul style="list-style-type: none"> The share repurchase plan meets at least one of the following conditions: <ul style="list-style-type: none"> The authorization would be executable during a takeover period. The buyback exceeds 10% of the issued capital⁵. Allows for the reissuance of repurchased shares, more than 5% of the issued capital. Use of financial derivatives for share repurchases. There is no limit on the possible discount.
Share issues reserved to employees	<ul style="list-style-type: none"> The authority to issue shares does not create significant imbalances between categories of shareholders. 	<ul style="list-style-type: none"> Cumulative volume exceeds 10% of issued capital and discount over 10% (to be reviewed on a case-by-case basis¹⁰). 	
Debt restructuring	<ul style="list-style-type: none"> The level of dilution given the full conversion of securities is not excessive. 	<ul style="list-style-type: none"> Dilution risk is too high for the ownership interests of existing shareholders and to future earnings. The proposal would result in a change of control at the company. If bankruptcy or the threat of bankruptcy is the main factor driving the restructuring. 	
Mergers and Acquisitions	<ul style="list-style-type: none"> The merger or acquisition makes commercial and strategic sense for the company. The proposal is beneficial to shareholders and the impact on voting rights is not disproportionate. 	<ul style="list-style-type: none"> Given the complex nature of most merger and acquisition proposals, such issues will be reviewed on a case-by-case basis from a transparency, corporate governance, sustainability, and a financial point of view. The limits concerning capital increases will not apply on merger cases. Issues that will be taken into account, where sufficient information is available, include: <ul style="list-style-type: none"> The rationale driving the transaction The impact of the merger on shareholder value 	

⁴ Share capital increases up to 20% to finance external growth operations or conversion of warrants/bonds are permissible.

⁵ Including shares held by subsidiaries. We apply a limit of 15% for the UK due to the local code.

Voting issue	For	Abstain	Against
	<ul style="list-style-type: none"> • The combined company has a better governance structure. • The operation concerns a subsidiary and is considered an internal restructuring. • The merger or acquisition contributes to the achievement of the sustainability objectives of the company. 	<ul style="list-style-type: none"> o The offer price i.e., cost vs. premium o Financial viability of the combined companies as a single entity and the associated integration risks o An analysis of the arm's length nature of the transaction, potential conflicts of interest and an assessment of the deal maker's "good faith" o The presence or lack of a fairness opinion o Proposed changes in corporate governance and their impact on shareholder rights o Impact on community stakeholders and employees in both workforces o The impact on our sustainable investment principles, SDGs supported by the company and sustainability risk profile of the company. o Expanding of the activities to sectors or jurisdictions included in the Fund's exclusion list. 	
Corporate Restructuring	<ul style="list-style-type: none"> • No conflicts of interest among the various parties. • A shareholder vote on a legitimate corporate restructuring. • The restructuring does not create significant imbalances between categories of shareholders. • Shareholder value is being preserved. • The restructuring contributes to the achievement of the sustainability objectives of the company. 	<p>Votes concerning corporate restructuring are considered non-routine and evaluated on a case-by-case basis. Issues that will be taken into account include:</p> <p><u>Spin-offs</u></p> <ul style="list-style-type: none"> • Potential tax and regulatory advantages • Planned use of proceeds • Market focus and managerial incentives <p><u>Asset Sales</u></p> <ul style="list-style-type: none"> • Impact on the balance sheet and working capital • Value received for the asset and the potential elimination of diseconomies <p><u>Liquidations</u></p> <ul style="list-style-type: none"> • Management's efforts to pursue other alternatives • Appraisal value of the assets • The compensation plan for executives managing the liquidation <p><u>Sustainability</u></p> <ul style="list-style-type: none"> • The impact on our sustainable investment principles • The impact on the Focus SDGs • The way sustainability risks are considered 	

4.2.3 Board Elections

Voting issue	For	Abstain	Against
Board elections	<ul style="list-style-type: none"> The Board of Directors (or Supervisory Board) is independent (more than 50%) from management and represents the interests of majority and minority shareholders. Specialized committees are composed of a majority of independent members with an independent Chair (The audit and the remuneration committees do not include an executive director). Candidates are proposed by an independent nomination committee. We are in favour of annual votes or a maximum of 4-year mandates. The board size is less than 18 members. There is an open dialogue between the board (independent members) and its investors. The Chair and CEO roles are split, and the Chair is independent. Non-executive directors have less than five total director mandates or less than three total director mandates for executive directors (including outside CEOs). There is sufficient biographical information for shareholders to vote on an informed basis. Shareholders can vote separately on the election of individual directors. 	<ul style="list-style-type: none"> The candidate is not independent⁶ and: <ul style="list-style-type: none"> the board comprises less than 50% independent directors excluding employee representatives (for non-controlled companies) the board comprises less than 33% independent directors including employees' representatives (for controlled companies or in cases of a board with at least 50 percent of compulsory employee representatives) only applicable to 'controlled companies': the candidate is both Chair and CEO of the company⁷. <p>A different independence threshold can be applied depending on local code and market practice (with a minimum of 33%).</p> The director had a very low level of attendance without any satisfactory justification (below 75%). The director failed to meet her/his fiduciary duties which raise doubts about her/his ability to serve the best interests of stakeholders. The censor is not independent and: <ul style="list-style-type: none"> The level of independence on the board (including the censors) are not in line with our guidelines, or; The company does not justify the interest of having a censor. we will consider voting against a nomination when companies have not made reasonable progress towards diversity (gender, race, etc). we will consider voting against the re-election of directors of a company when there is no board sub-committee with a remit to oversee the company's implementation of the board policy on relevant sustainability matters or there is a perceived weakness in board oversight in this area. 	

⁶ Factors that may compromise independence include:

- to represent a significant shareholder or be related by close family ties to a corporate officer
- to be an employee or corporate officer of the corporation, or an employee or direct of its parent or a company that it consolidates with the previous five years; -to be a chief executive officer of another company (company B) if one of the following requirements is met: the concerned company (company A) is directly or indirectly controlled by company B. An employee or executive of Company A is a director of company B (within the past 5 years);
- to be a customer, supplier, investment banker or commercial banker that is material for the corporation or its group, or a significant part of whose business the corporation or its group accounts, or to have been an auditor of the corporation within the previous five years; or
- to have been a director of the corporation for 12 years or more or stricter depending on the local code.

⁷ Unless combined role is temporary for 2 year maximum or the CEO/Chair does not have a link with the significant/dominant shareholder

4.2.4 Compensation practices

Voting issue	For	Abstain	Against
Remuneration policy	<ul style="list-style-type: none"> The company must present a transparent, exhaustive, and clear overview of its compensation practices. The company explains the philosophy of its remuneration policy, including the link with strategy and its human resources policy. The policy explains the amount, the split, and the evolution between the different remuneration components chosen. The remuneration schemes are in line with the long-term company performance (e.g. the remuneration committee has considered the impact of share repurchases undertaken during the previous year on relevant performance targets for incentive schemes). The remuneration scheme has been recommended by a remuneration committee composed of more than 50% independent members and does not include an executive director. The company has a long-term remuneration policy in place, including extra-financial performance metrics. The compensation policy includes stock ownership and clawback guidelines for executives. 	<ul style="list-style-type: none"> The remuneration policy is unclear or lacks transparency for shareholders to have an appropriate opinion upon it. The remuneration scheme is disproportionate with regards to the evolution of its median employee's remuneration, NEOs, or its relevant peer group. The remuneration scheme is misaligned about performance (based on share value and/or intrinsic value). The compensation scheme allows a pay-for-failure approach or is not long-term oriented. If one or few significant elements of the remuneration are not in line with our guidelines below (to be reviewed on a case-by-case basis depending on the company's policy and in light with the company's trend regarding transparency and practices). The remuneration policy does not include control measures to prevent an unadjusted gender pay gap. The remuneration policy does not include non-financial targets related to the key sustainability risks and opportunities presented by the company's business model. 	
Remuneration of executive directors and senior executives/short-term remuneration (fixed and bonus)	<ul style="list-style-type: none"> The company discloses the rules to establish the base salary and its evolution. It needs to be justified and reasonable. The bonus is linked to transparent, pertinent, and challenging criteria, relevant to the company business and strategy. The company discloses performance criteria, their weights and performance targets in absolute terms. The bonus is limited to a certain percentage of the fixed remuneration. Any non-quantifiable 	<ul style="list-style-type: none"> The company significantly increased the base salary or bonus cap of an executive without a satisfactory explanation, or the increase is not justified based on company performance. The bonus does not have a cap. The bonus is not linked to transparent, pertinent, or challenging criteria. The nature and weightings for each performance criteria are not disclosed. The actual level of fulfilment of each performance criteria is not disclosed. The remuneration leads (in)direct to an unadjusted gender pay gap. We will consider voting against the remuneration when a company is exposed to material 	

Voting issue	For	Abstain	Against
	part of the bonus is absent or limited.	sustainability risks and sustainability metrics are not taken explicitly into consideration in assessing executive performance pay.	
Remuneration of executive directors and senior executives/long-term incentive plan (free shares, stock-options)	<ul style="list-style-type: none"> The plan must be understandable for shareholders, with specific and quantitative pre-established criteria and targets for future, and a vesting and performance period of at least 5 years. The company discloses a cap, performance criteria, their weights and performance targets in absolute terms. The authorities for executive directors are separated from those for employees. Otherwise, the stock options and the free shares allotted to executive directors are limited explicitly. The volume of the granted additional compensation is reasonable and in line with market practices The company has the possibility to recover partially or entirely a past plan following special circumstances such as a restatement of the accounts (Clawback policy). 	<p>The plan meets at least one of the following conditions⁸:</p> <ul style="list-style-type: none"> Cumulative volume of proposed and outstanding stock option plans and free shares exceeds 10% of issued capital including 3% maximum for corporate officers. Volume of stock option plans per year exceeds 2.5% of issued capital. Free shares distribution per year exceeds 1% of issued capital. Significant increase without satisfactory explanations or not justified about performance. Grants of stock options and free shares are not linked integrally to the achievement of transparent, pertinent, or challenging performance criteria. Possibility to re-test exercising conditions. Existence of a discount for executives on stock-options. Sum of vesting and holding periods or performance period less than 3 years (For stock option and free shares). The actual level of fulfilment of each performance criteria is not disclosed. The remuneration leads (in)direct to an unadjusted gender pay gap. <p>NB. The proposed resolution is assessed in light of the existence and degree of independence of the remuneration committee.</p>	
Remuneration of the executive directors and senior executives (exceptional remuneration)	<ul style="list-style-type: none"> The additional pension schemes respect the following principles: the beneficiary has a significant seniority within the group; is employed with the company at the time of retirement; his/her rights may only account for a reasonable limited percentage of the compensation; the period taken into account for the calculation covers several years; the group of potential beneficiaries must be broader than the sole executive. No severance payment. Otherwise, the amount is reasonable, limited, 	<ul style="list-style-type: none"> The termination or change in control payments for executive directors or the Chair of the Board may not exceed two years of both annual fixed and variable compensation (stock options and other compensation excluded)⁹. The termination payments are not conditional on seniority criteria or with explicit performance requirements. The combination of a severance payment (or a non-compete clause) with an additional pension scheme. The post-mandate exercise of unvested stock-based plans or an indemnity compensating for his loss of the right to exercise the stock-based plans. 	

⁸ To be reviewed on a case-by-case basis for different geographic zones in which such conditions may not be a market practice.

⁹ Case-by-case basis based on market practice (e.g. one year in UK and Netherlands)

Voting issue	For	Abstain	Against
	<p>and will only be given in case of a constraint departure.</p> <ul style="list-style-type: none"> No exceptional remuneration. Otherwise, conditions and maximum level of award are well described and linked to performance criteria. 	<ul style="list-style-type: none"> The severance payment can be given in case of resignation. Exceptional remuneration is granted without any compelling explanation or not linked to performance conditions. The remuneration leads (in)direct to an unadjusted gender pay gap. 	
Remuneration of the non-executive directors	<ul style="list-style-type: none"> Linked to the attendance of directors to the board and committees, and to the importance of carried out missions, and in line with benchmarks (based on country practices). Full disclosure of all remuneration components for each director serving on the board. The different elements constituting the pay need to be identified and their respective policies explained. The pay should be transparent enough for shareholders to allow them to distinguish the remuneration of executives from that of non-executive directors. 	<ul style="list-style-type: none"> Not linked to attendance. The individual amounts are not communicated (To be reviewed on a case-by-case basis depending on market and company practices¹⁰). 	<ul style="list-style-type: none"> Not linked to attendance and deemed excessive. The global and/or individual amounts are not communicated (To be reviewed on a case-by-case basis depending on market and company practice).¹¹ The remuneration leads (in)direct to an unadjusted gender pay gap.
Employee remuneration	For the other beneficiaries of the plan (excluding the top executives), the principles are less strict (especially regarding the performance criteria) and analysed in light of the global condition of the plan.		

4.2.5 Other voting items

Voting issue	For	Abstain	Against
Changes to Company Statutes	By-laws that respect the “one share – one vote – one dividend” principle.	<ul style="list-style-type: none"> Resolutions that carry adverse impacts on shareholder rights (To be considered on a case-by-case basis in light of information provided by the company) Multiple Voting Shares or non-Voting Depository Receipts Ownership ceiling or voting right ceiling, Priority shares, Golden share Statutory disclosure thresholds below 5 percent of the issued capital Reduce the delay of declaration for the crossing of thresholds. 	
Related-party Transactions and other Resolutions	There is full disclosure of information relevant to the resolution and such information is presented in a fair and balanced way.	<ul style="list-style-type: none"> Insufficient disclosure of relevant information The related-party transactions include elements which may be contrary to our remuneration policy (see above). 	<ul style="list-style-type: none"> Resolutions bundled together that include a substantial and unacceptable proposal Blind resolutions The related-party transactions include elements which may be contrary to our remuneration policy (see above).

¹⁰ We will abstain if the market practice is not to communicate such information, and vote against if it is the market practice to provide this information

¹¹ We will abstain if the market practice is not to communicate such information, and vote against if it is the market practice to provide this information

4.3 Shareholder proposal guidelines

While management resolutions are traditionally focused on governance issues, shareholder resolutions tend to focus on environmental, social as well as governance issues. OBAM IM recognizes and supports the strong contribution that shareholders make to shaping general meeting agendas by (co)filing proposals.

OBAM IM will normally vote in favor of shareholder proposals aimed at improving the portfolio company's governance and encouraging the portfolio company to implement policies and measures that may prevent a possible conflict with OBAM IM/the Fund's investment principles. OBAM IM will vote against shareholder proposals that might lead to the opposite.

Shareholder proposals will be analyzed on a case-by-case basis, taking into consideration: (i) the reasonableness of the demand; (ii) the credentials of the proponent, (iii) the appropriateness to discuss the proposal in the general meeting and (iv) the anticipated costs and benefits to the portfolio company and thus to shareholders of the resolution passing.

Shareholder proposals can relate to sustainability issues. Our Sustainable Investment Policy outlines, among others, our sustainable investment principles regarding: (i) human rights, (ii) labor (iii) anti-corruption, and (iv) environment. These principles constitute the parameters of our investments and are intended to minimize the sustainability risk that the Fund is involved. The guidelines as described in this section relates to OBAM IM's voting behavior with respect to shareholder proposals that (in)direct impact our sustainable investment principles.

4.3.1 *Human rights*

Our sustainable investment principles require companies to avoid causing or contributing to adverse human rights impacts through their activities. Therefore, OBAM IM tends to vote for shareholder proposals that, among others:

- call for adopting, implementing, and reporting on compliance with standards formulated in among others: the Universal Declaration of Human Rights, the UN Global Compact Principles and the OECD Guidelines for Multinational Enterprises;
- request the implementation of human rights standards and workplace codes of conduct;
- seek current disclosure of applicable risk assessment(s) and risk management procedures regarding operating in jurisdictions with a high-risk regarding the violation of human rights;
- request the review and amendment, if necessary, of the company's code of conduct for military contract bids, awards and execution.

4.3.2 *Labour*

Fundamentally, labour includes the effective abolition of child labour and elimination of all forms of forced labour, as well as freedom of association, effective recognition of the right to collective bargaining and elimination of all forms of discrimination in respect to employment.

Specifically, this means that OBAM IM tends to support shareholder proposals that, among others:

- request the implementation of measures to protect children against exploitation;
- call for adopting, implementing, and reporting on compliance with standards formulated in among others: the Universal Declaration of Human Rights, the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and the fundamental principles and rights at work from the International Labor Organization;
- call for adopting labor standards for the portfolio company, to ensure that portfolio company will not do business with external third parties that manufacture products for sale using forced labor or child labor;
- call for adopting, implementing, and reporting on anti-discrimination measures, measures regarding diversity and measures regarding equal treatment of employees;
- seek current disclosure of applicable risk assessment(s) and risk management procedures regarding operating in jurisdictions with a high-risk regarding the violation of labor rights; and
- request that a portfolio company adopts the living wage as a minimum for all employees.

4.3.3 *Anti-corruption*

Our sustainable investment principles outline that companies should work against corruption in all its forms including extortion and bribery. OBAM IM supports this principle and therefore OBAM IM tends to vote for shareholder proposals that, among others:

- request the adoption and implementation of policies, measures, and monitoring on corruption; and
- seek current disclosure of applicable risk assessment(s) and risk management procedures regarding operating in jurisdictions with a high-risk regarding corruption.

4.3.4 *Environment*

Our sustainable investment principles outline that companies should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies. Therefore, OBAM IM tends to vote for shareholder proposals that, among others:

- seek disclosure or improved disclosure of the portfolio company's environmental practices and environmental risks and opportunities.
- request reporting on the results of the portfolio company policies and practices to minimize potential adverse environmental impacts from business activities, including the impact on water resources, biodiversity-sensitive areas and GHG emissions;
- request that a portfolio company takes responsibility for handling hazardous substances and waste in its own operations and/or in its supply chain; and
- request increasing environmental-friendly investments or dividends.