



VOTING RIGHTS AND PARTICIPATION POLICY



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I. Preamble

As shareholders, investors are not only providers of capital, but as shareholders they are also, within the framework of the Annual General Meeting, the supreme management body of the companies in which they invest. This gives them responsibility for the strategic orientation of their portfolio companies, which they take over proportionately with their co-shareholders. ODDO BHF Asset Management GmbH is aware of this responsibility and actively and transparently exercises its shareholder rights for its investors.

II General information

Pursuant to § 134 b of the German Stock Corporation Act, institutional investors¹ and asset managers (capital management companies) are obliged to publish their policy regarding participation in the portfolio companies.

As part of this participation policy, ODDO BHF Asset Management GmbH describes how it monitors the portfolio companies in which it invests with regard to important matters relating to strategy, financial and non-financial performance, risk, capital structure, social and environmental impacts and corporate governance. It describes how it exercises its membership rights in these portfolio companies, how it conducts dialogue with portfolio companies, how it cooperates with other shareholders, and how it deals with actual and potential conflicts of interest.

ODDO BHF Asset Management GmbH reports annually on the implementation of the participation policy and, in a general manner, on voting behaviour, on the most important votes and on the use of voting advisors. This does not apply to votes in which the subject of the vote or the extent of the participation is insignificant. The reports are published on am.oddo-bhf.com and kept there for at least three years.

ODDO BHF Asset Management GmbH believes that the exercise of voting rights is an integral part of its responsibility as a shareholder. We view our role as a fund manager from the perspective of fund investors and therefore believe that attending annual general meetings and monitoring the portfolio companies is in the interests of our fund investors.

Participation in general meetings and active involvement help us to ensure that the strategies, risk management and corporate governance of the portfolio companies create long-term value that is a source of return for fund investors and shareholders.

¹ Where institutional investors in funds of ODDO BHF Asset Management GmbH invest directly in shares, they are entitled to refer to this voting and participation policy and to the annual reports on voting behaviour and implementation of the participation policy. When agreeing the investment strategy, institutional investors in special funds should ensure that the fund investment strategy, taking into account their overall investment, corresponds to the profile and term of their liabilities and contributes to the medium- and long-term performance of the assets. ODDO BHF Asset Management GmbH supports institutional investors with detailed performance analyses and a variety of possible investment strategies.



In voting, ODDO BHF Asset Management GmbH is guided by the guidelines issued by Bundesverband Investment und Asset Management e.V. ("BVI"), of which it is a member, and its obligations as a signatory to the United Nations Principles for Responsible Investment (UN PRI) with regard to environmental, social and governance issues.

III. Exercise of shareholder rights

1. SCOPE OF THE VOTING

a. Exercise of voting rights

ODDO BHF Asset Management GmbH votes at the Annual General Meetings of portfolio companies traded on a regulated market in the European Union or the European Economic Area. In case ODDO BHF Asset Management GmbH and its subsidiary ODDO BHF Asset Management Lux do not hold more than 0.25% of the voting share capital in the portfolio company or have invested less than 1% of the fund assets in the portfolio company, ODDO BHF Asset Management GmbH may abstain from voting after due consideration of cost and operational difficulties. ODDO BHF Asset Management GmbH expects to vote on all Annual General Meetings of portfolio companies incorporated in Germany.

As part of its Principles for Responsible Investment, ODDO BHF Asset Management GmbH also endeavours to vote at the Annual General Meetings of all portfolio companies in its funds to integrate ESG criteria (environmental, social and governance criteria) into their investment process.

ODDO BHF Asset Management GmbH may vote at the Annual General Meetings of portfolio companies that are traded on a market other than a regulated market in the European Union or the European Economic Area. In such cases, it will weigh up the costs and benefits, taking into account the relevant fund investment strategies where appropriate. This means that other global equity investments may be subject to this voting and participation policy if the participation quota is not insignificant in comparison to the effort and costs of a participation.

Any securities lending transactions are generally only entered into in such a way that ODDO BHF Asset Management GmbH can exercise voting rights itself, taking into account the dates of the Annual General Meeting.

b. Non-exercise of the voting right

In very rare cases, ODDO BHF Asset Management GmbH may not be able to vote even if it holds a higher percentage of shares for reasons of efficiency, costs and timeliness.

ODDO BHF Asset Management GmbH may refrain from exercising its voting rights in individual cases if this limits the tradability of the shares of the Portfolio Company. The same applies if, in individual cases, the institutions in the custody chain or the voting intermediaries do not have a suitable infrastructure available for a fund in order to be able to vote or attend a General Meeting in a timely manner, taking into account costs and effort.

2. PROXY AND VOTING

a. Proxy

ODDO BHF Asset Management GmbH may appoint an external service provider (hereinafter referred to as "proxy") to prepare voting proposals on the basis of ODDO BHF Asset Management GmbH's instructions and to assist with voting.

b. Responsibility for voting decisions

The proxy's voting proposals are submitted to the respective fund manager, who makes the final decision on the vote in accordance with the respective investment strategy of the respective fund.

If portfolio management for a fund has been outsourced to an external fund manager, ODDO BHF Asset Management GmbH may seek advice from the external fund manager on voting. If the external fund manager does not provide advice or if the advice is obviously contrary to the interests of the fund investors, ODDO BHF Asset Management GmbH will participate in accordance with its principles set out in this voting and participation policy.

c. Voting

As a rule, voting is carried out by the proxy or in writing or electronically by means of specific instructions from the company.

3. PRINCIPLES OF THE EXERCISE OF VOTING RIGHTS

ODDO BHF Asset Management GmbH makes a distinction in voting between non-controlled and/or family-owned companies and controlled companies with regard to the minimum number of independent Supervisory Board members, the number of re-elections and the length of their term of office.

In the case of controlled companies, particular attention is paid to governance within the Supervisory Board. This helps to avoid risks of conflicts of interest and to protect minority shareholders.

a. Approval of financial statements and strategies

Approval of the parent company and consolidated accounts

ODDO BHF Asset Management GmbH normally votes in favour of proposed resolutions, unless

- that there are problems with the financial statements which lead to a refusal to certify or if the external auditor expresses reservations; or
- that the Portfolio Company does not answer the questions of its shareholders on certain information to be disclosed.



Appointment of the external auditors

ODDO BHF Asset Management GmbH votes against the appointment of the external auditors in the following cases:

- Non-compliance with the rotation frequency at least once every 10 years (or 24 years in the case of external co-auditors), in accordance with European Directive 2014/56/EU on statutory audits of annual accounts and consolidated accounts;
- if there are serious doubts concerning the financial statements submitted or the audit procedures applied;
- if the external auditors have been replaced without giving reasons;
- if their consultancy fees are higher than the audit fees;
- if they can be considered as affiliated companies of the Portfolio Company;
- if any substitute examiners are associated with the principal audit firm.

Profit distribution policy

ODDO BHF Asset Management GmbH takes particular care to ensure that its shareholder return policy is in line with its corporate strategy and the long-term interests of the portfolio company. We vote against the payment of dividends that appear excessive in view of the Portfolio Company's financial situation.

We also reject dividend resolutions that do not include a cash payment option unless management can demonstrate that such an option would undermine shareholder value.

b. Members of the Supervisory Board and Board of Directors; working methods of the Portfolio Companies

Information to the shareholders of portfolio companies

To enable ODDO BHF Asset Management GmbH to exercise its voting rights in full knowledge of the facts, it ensures that the portfolio companies provide their shareholders with detailed and transparent information in good time before the Annual General Meeting.

Members of the Board of Directors

We recommend that management and supervision be kept separate. However, the combination of the two functions may be a satisfactory option, where permitted under applicable company law, if the board of directors has the resources to carry out its supervisory and steering functions.

ODDO BHF Asset Management GmbH votes against the remuneration of the non-executive members of the Board of Directors if

- the level of directors' fees is excessive compared to other portfolio companies in the same country or industry;
- there are proposals to introduce pensions.

Finally, depending on the size and geographical focus of the portfolio company, ODDO BHF Asset Management GmbH pays particular attention to ensuring that a variety of profiles are selected on the Board of Directors in terms of gender, nationality, age and expertise.

Election of the administrative or supervisory boards

ODDO BHF Asset Management GmbH votes against the election of an administrative or supervisory board in the following cases:

- if the member of the Board of Directors is not a shareholder of the Portfolio Company, in an amount at least equal to his annual director's or supervisory board's fee;
- if there have been suspicious transactions involving conflicts of interest;
- if abuses contrary to the interests of the minority shareholders have been discovered
- if there are particular concerns about the person, such as criminal offences or a breach of fiduciary responsibility
- if repeated absences from management or supervisory board meetings were not declared.

Independence of the administrative or supervisory boards

ODDO BHF Asset Management GmbH reviews this criterion on a case-by-case basis by distinguishing between controlled and other portfolio companies. By "controlled" we mean a company in which a shareholder or group of core shareholders holds at least 30% of the voting rights and without whose approval no strategic deal is possible.

We advocate a quota of independent directors of at least 33% for controlled portfolio companies and 50% for non-controlled portfolio companies.

In order to be considered independent, an administrative or supervisory board member may not be an employee or officer of the Portfolio Company or a Group company.

Term of office

ODDO BHF Asset Management GmbH reviews this criterion on a case-by-case basis by distinguishing between controlled and non-controlled portfolio companies. Nevertheless, the term of mandates should preferably not exceed four years.

Structure of the Board of Directors

We do not support resolutions:

- on an age limit for mandatory retirement for directors, whereby not more than one third of directors should be over 75 years of age;
- which change the organisational structure or the size of the administrative or supervisory board in the midst of a battle for control of the Portfolio Company or the administrative or supervisory board



Members not entitled to vote

ODDO BHF Asset Management GmbH believes that non-voting members should only be appointed in exceptional cases and that such appointment should be explained to shareholders in detail before the Annual General Meeting (e.g. to arrange a succession).

Committees that report to the administrative or supervisory board

ODDO BHF Asset Management GmbH believes that a key factor in good corporate governance is the existence of an audit committee, the majority of whose members are non-executive directors, and at least one third of whose members are independent.

We vote against the election or re-election of any executive director (including the Chairman and CEO) who is a member of the Compensation and/or Audit Committee.

c. Capital measures

Proposal for the issue of new shares

We support applications for the issue of new shares with subscription rights of up to 100% of the currently outstanding shares.

ODDO BHF Asset Management GmbH examines each situation on a case-by-case basis when issuing new shares without subscription rights amounting to more than 5% of the outstanding shares.

Capital increases

ODDO BHF Asset Management GmbH votes against a capital increase if:

- it would leave the Portfolio Company with less than 30% of the new authorised capital in circulation after all proposed issues have been considered;
- the proposals are aimed at authorising unlimited authorisations for capital increases

Capital reductions

ODDO BHF Asset Management GmbH votes against resolutions to reduce the share capital if the conditions are disadvantageous to minority shareholders.

Share buyback plans

We vote against share buybacks if:

- they do not contain any secured measures against arbitrary or case-by-case repurchases;
- they take place during a public offer and have an effect which makes a takeover more difficult

Redistribution of treasury shares

ODDO BHF Asset Management GmbH votes against the redistribution of treasury shares if there are obvious signs of abuse of authority in the past.

Mergers and acquisitions

ODDO BHF Asset Management GmbH does not support resolutions approving a merger or acquisition if:

- the financing is unfavourable;
- the structure of the portfolio company after the transaction does not reflect good corporate governance;
- the Portfolio Companies, following a request, do not provide sufficient information to enable shareholders to make an informed decision;
- there are concerns about the negotiation process which may have had a negative impact on the assessment of the terms of the offer.

Anti-takeover mechanisms

We reject all anti-takeover offers unless they are structured in such a way that shareholders can make the final decision on a proposal or offer.

d. Executive compensation

The remuneration and fringe benefits of executive officers and directors should be at a level that is consistent with the long-term performance of the portfolio company and the interests of the long-term shareholders.

Agreement to be given a say

ODDO BHF Asset Management GmbH supports the principle of shareholder influence in the remuneration of executives.

We evaluate in particular the compensation packages for managers:

- the transparency and clarity of the information presented (level, nature of the quantitative and qualitative criteria and the degree of achievement of objectives);
- the orientation towards the medium and long-term development of the Portfolio Company;
- the appropriateness (with peer companies and in line with the shareholder return and the economic performance of the Portfolio Company)
- the independence of the Compensation Committee.

In addition, ODDO BHF Asset Management GmbH advocates the integration of extra-financial criteria in executive remuneration packages, while ensuring that these are appropriate, transparent and easily quantifiable.



Redundancy payments

We are not in favour of severance payments to managing directors in the following cases:

- Dismissed for misconduct;
- Resignation on the Managing Director's own initiative;
- poor economic performance before retirement.

ODDO BHF Asset Management GmbH will also vote against the resolution if the performance conditions and minimum length of service are not mentioned.

Allocation of bonus shares or performance shares to executives

ODDO BHF Asset Management GmbH believes that managers should also be shareholders in order to align their interests with those of shareholders. We therefore advocate such mechanisms under the following conditions:

- the total amount of the current allocation plans does not exceed 10% of the total outstanding shares, and
- the allocations are based on the achievement of long-term performance targets (at least three years)
- the terms of performance must be set out in detail in the decisions approving these plans.

e. Other decisions

Amendments to the Statutes

Decisions that lead to an amendment of the Articles of Association are reviewed on a case-by-case basis.

Motions from shareholders

External decisions are analysed on a case-by-case basis. ODDO BHF Asset Management GmbH generally rejects all proposals that would entail high costs with little or no benefit to minority shareholders.

Decisions relating to the environment and social

Decisions relating to environmental and social issues are reviewed on a case-by-case basis to promote the long-term interests of shareholders, in line with our ESG commitments as a signatory to the United Nations Principles for Responsible Investment (PRI).

IV. Monitoring important matters of the Portfolio Companies

ODDO BHF Asset Management GmbH monitors the portfolio companies on an ongoing basis, depending on the strategy chosen (quantitative or fundamental).

The fundamental strategies focus on fundamental company analysis (in particular earnings, cash flow and capital structure, corporate strategy, business model, products, market positioning, remuneration systems) and company valuation, supplemented by risk-conscious portfolio construction. The primary analysis is supported by external research and analyses. For quantitative strategies, the focus is on systematic, rule-based mathematical models.

Available news and company publications are also evaluated, adapted to the respective investment strategy, with regard to significant risks in connection with corporate governance and social or environmental impacts for the portfolio company. In this context, we consider issues to be significant that could significantly influence the potential of the portfolio company to create long-term value or that conflict with the investment strategy of the fund.

V. Exchange of views with the company bodies and the stakeholders of the portfolio company

Dialogue with corporate bodies (e.g. members of the Board of Managing Directors) and stakeholders of the portfolio companies in which ODDO BHF Asset Management GmbH invests is conducted both in person and by using electronic means of communication.



VI. Cooperation with other shareholders

ODDO BHF Asset Management GmbH is primarily guided by internal processes and guidelines and meets its duty of cooperation and its responsibility in terms of communication and representation of interests by applying internal approaches.

Any cooperation with other shareholders of the portfolio companies, both within the Group and externally, must be weighed up in special circumstances and in each individual case with regard to the possibility of asserting the interests of the fund investors and the fund strategy. ODDO BHF Asset Management GmbH is generally critical of voting rights commitments and agreements - also in order to maintain its independence.

VII. Dealing with conflicts of interest

ODDO BHF Asset Management GmbH, a wholly-owned indirect subsidiary of ODDO BHF SCA, implements its own voting and participation policy independently in accordance with the applicable regulations. This also applies in relation to the Group's sister company ODDO BHF Asset Management SAS and its subsidiary ODDO BHF Asset Management Lux.

ODDO BHF Asset Management GmbH aims to identify potential conflicts of interest in advance and avoid them as far as possible. To this end, ODDO BHF Asset Management GmbH has established processes for identifying, reporting and handling conflicts of interest ("Handling Conflicts of Interest" policy). The appropriateness of the measures introduced to avoid negative impacts on fund investors resulting from the conflicts of interest identified is also reviewed.

With regard to participation and the exercise of voting rights, conflicts of interest may arise in particular if

- a fund manager of ODDO BHF Asset Management GmbH or a member of the executive board or management of ODDO BHF Asset Management GmbH is a director of a listed portfolio company held by ODDO BHF Asset Management GmbH
- the independence of ODDO BHF Asset Management GmbH in relation to the other activities of ODDO BHF Group is not guaranteed;
- ODDO BHF Asset Management GmbH or a Group company has significant business relationships with the portfolio company.

A committee has been established to deal with conflicts of interest when they arise. It is headed by the Chief Compliance Officer of ODDO BHF Asset Management Group and comprises the Chief Investment Officer and the Compliance Officer of ODDO BHF Asset Management GmbH. Decisions are reported to the Executive Board of ODDO BHF Asset Management GmbH.

ODDO BHF Asset Management GmbH

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