

Responsibility	
Procedure Manager	Investment Team
Department	Investment Team
Validation by	Valentine Brisac, and at least Dominique Gaillard or Laurent Bénard or Renaud Tourmente ("Directoire")

Procedure Goal
This policy presents ARMEN's shareholder commitment system as well as its voting rights policy. The shareholder commitment policy describes "the manner in which the company incorporates its role as shareholder into its investment strategy."

List of tools/applications used	
Tool(s)	None
Application(s)	None

First-level controls	Storage (yes/no)	Storage location
Investment Team	Yes	Minutes of the Boards in the dedicated file of every Portfolio Company on the server

Management of procedure updates				
Version	Date	Status	Author	Nature of the modifications
1.0	Sept 2022	To be validated	AGAMA Conseil	Creation
2.0	16/02/2024	Validated	ARMEN	Modifications to adapt the process to ARMEN since the company has been in operation for a year
3.0	07/10/2025		ARMEN	Modifications to adapt the process since the AMF has published a guide (SPOT)

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Introduction

The “Shareholder Rights” Directive implemented into French law aims to encourage long-term investment in companies and the transparency of investments made by institutional investors. ARMEN must describe and render its long-term engagement publicly accessible.

This policy is aligned with the recommendations of the AMF’s 2024 SPOT thematic review on shareholder engagement and voting policies. It ensures ARMEN’s compliance with French and EU regulatory frameworks while implementing best market practices for monitoring, dialogue, voting, transparency, and control.

ARMEN’s mission is to support sustainable value creation across the investment management sector through long-term partnerships with general partners (GPs). In line with its responsible investment philosophy, ARMEN promotes high standards of governance, transparency, and sustainability among its portfolio companies, thereby contributing to the development of resilient and ethical investment practices.

1. Main regulatory references

FR French Monetary and Financial Code (Code monétaire et financier)

- Article L.533-22, L.533-22-1 – Requirements for establishing and disclosing a shareholder engagement policy.
- Article L.533-10 I (3) – Obligation to prevent and manage conflicts of interest.
- Article L.532-9 – Conditions for portfolio management company (SGP) authorisation.

AMF General Regulation (Règlement général de l’AMF – RG AMF)

- Articles 318-1, 318-13, 318-58, 318-61 – Organisational and control obligations for AIF managers.
- Article 319-3 – Obligation to act honestly, fairly, and professionally.

EU EU Delegated Regulation (EU) n°231/2013 (AIFMD Level 2)

Sustainability and Disclosure Regulations

- Regulation (EU) 2019/2088 (SFDR) – Sustainability-related disclosures in the financial sector.
- Delegated Regulation (EU) 2022/1288 (SFDR Level 2) – Technical disclosure details for ESG integration.

AMF Positions and Recommendations

- AMF Position–Recommendation DOC-2012-19 – Conflicts of interest management framework (section 3.2.9.2).
- AMF Position–Recommendation DOC-2005-19 – Publication of voting policies and annual voting reports.

2. Scope of application

The shareholder engagement policy describes the manner in which the company integrates its role as shareholder within its investment strategy. Therefore, it applies to equity investments.

The portfolio management companies subject to the shareholder engagement policy are those that manage AIFs fully subject to the AIFM Directive (French Monetary and Financial Code Art. L533-22 §I) or to discretionary investment management. ARMEN is therefore concerned.

3. Objective of the policy

The shareholder engagement policy describes how to ensure the following:

- Monitoring of the strategy, financial and non-financial performance, risks, capital structure, as well as the company’s environmental, social, and corporate governance;
- Dialogue with the companies held;
- The exercise of voting rights and other shareholders’ rights;
- Cooperation with other shareholders;
- Communication with relevant stakeholders;
- Prevention and management of conflicts of interest, both real and potential, related to their commitment.

One or more of the items listed above may be excluded from the shareholder engagement policy if the reasons they have been discarded are provided.

ARMEN maintains a traceable and documented monitoring system for ESG engagements, with escalation steps (from dialogue to divestment when relevant), in line with AMF SPOT expectations, noting that certain steps may be skipped depending on the materiality and context of the issue.

Level	Description	ARMEN example
Level 1 – Dialogue	Regular discussion with management; sharing of best practices.	Periodic calls or meetings; feedback on ESG topics.
Level 2 – Written follow-up	Formal written communication expressing concern or requesting specific progress.	Letter/email from board representative or investment team.
Level 3 – Collaborative engagement	Join investor coalitions (e.g., via PRI Clearinghouse) to increase influence.	Participation in collective PRI initiatives.
Level 4 – Escalation to governance bodies	Discussion including the Head of Compliance at board level, inclusion in board agenda or compliance committee.	Raise topic formally during official meetings.
Level 5 – Disinvestment	As a last resort, consider partial or full divestment if the issue remains unaddressed and materially affects value or reputation.	Case-by-case, documented decision.

4. Policy provisions

4.1. Monitoring strategy, financial and non-financial performance, risks, capital structure, social and environmental impact and corporate governance

ARMEN is a French Portfolio Management Company which invests mainly in European alternative investment companies (with a maximum of 15% which may be invested in the rest of the world) and supports their growth through GP stakes transactions.

ARMEN is committed to exercising its responsibility as a shareholder in the best interests of LPs by investing for the long-term horizon and analysing companies in detail, with an objective of creating value.

Before investing, the investment teams systematically evaluate the financial performances of the target companies. This stage involves carrying out due diligence (financial, legal, strategic, compliance, etc.) and in-depth contacts with the management of target companies.

ARMEN also focuses on the social, environmental, and corporate governance (ESG) risks and the potential adverse impacts of companies. Beyond a policy of exclusion, before investing, the management company assesses the sustainability risks opportunities and principal adverse impacts of the opportunity. This assessment is supplemented by a full ESG due diligence performed by an external provider.

Then, regular monitoring of the financial and non-financial performances of each portfolio company is carried out during the investment period. This step involves regular meetings with the management of the portfolio companies, attendance at board meetings and the study and analysis of documents such as reports, accounts, budgets and audit financial statement of the portfolio companies.

In addition, an annual portfolio review is carried out to identify sustainability risks and opportunities, , and areas of improvement for each participation. On this basis, action plans will be developed with the management of the companies.

Throughout the investment period, ARMEN ensures that ESG and sustainability factors are systematically integrated into decision-making and monitoring processes. ARMEN representatives actively participate in governance bodies, notably as board members or observers, to oversee strategic orientations and ensure that ESG action plans are effectively implemented. Depending on the nature of the investment, ESG and business performance updates are discussed meetings with management.

4.2. Dialogue with portfolio companies

The dialogue with the portfolio companies is carried out through periodic contact with the management, the controlling bodies of the companies, and other shareholders present at the round table, if applicable. ARMEN's managers keep as closely informed as possible of communications from portfolio companies, participating regularly at general shareholder meetings, meetings, and also participate in numerous telephone conference calls to have information that is as up-to-date as possible.

ARMEN will usually invest in equity or quasi-equity as a minority shareholder and will usually have a place on boards.

In addition, ARMEN strives to initiate and maintain an ESG approach with the management of the portfolio companies in order to bring value and help them improve their extra-financial performance.

Depending on the situation and the fund's investment policy, ESG objectives may be formalized during the signing of the contract with the companies.

Discussions held at board level and other significant exchanges are formally documented in meeting minutes, ensuring that any engagement-related topics are duly recorded. This approach provides traceability of engagement actions and aligns with AMF SPOT best practices.

4.3. The exercise of voting rights and other shareholder rights

▪ General principles applicable to analysing resolutions

The Portfolio Management Company abides by the following principles:

1. To act in the exclusive interest of shareholders in respect of the respective fund regulation and the rules for handling conflicts of interest;
2. To ensure transparency in the information given to shareholders;
3. To ensure respect of the general shareholder meeting's powers.

In observance of these principles, ARMEN examines the resolutions submitted to a vote on a case-by-case basis, in particular:

1. Decisions that regard amending the by-laws (extraordinary shareholder meetings);
2. Programmes for the issuance and redemption of capital securities;
3. Approval of accounts and allocation of the result;
4. Appointing and dismissing corporate bodies;
5. Regulated agreements;
6. The designation of statutory auditors.

Implementation of the procedure for exercising shareholder voting rights by ARMEN is based on the monitoring and analysis of resolutions proposed at General Shareholder Meetings, in application of the basic principles of good governance, mentioned here below:

- Monitoring the respect of statutory shareholder rights;
- Monitoring the quality and powers of management board or supervisory board members (application of the principles of separation of powers and independence of the board);
- Analysing the compensation of directors and, generally speaking, verifying the appropriateness and proportionality of the company management's and employees' share of the capital (application of the principles of transparency and equity of compensation);
- Monitoring the allocation of the result and the use of company funds (application of the principle of "reasonable management" of company funds, including cash compensation to the directors);
- Approval of accounts, management, regulated agreements, and renewal of the auditors (application of the principles of integrity of accounts, quality of communication, and limiting conflicts of interest when renewing the mandates of auditors);
- Analysis of development strategies and capital transactions (which must be justified, balanced, and respectful of the shareholder's preferential subscription right), including share buyback programs or the issuance of new shares, as well as all other various offers that could be presented to shareholders (director's fees, other amendments to the by-laws, etc.).

Summary of main voting principles :

Type of decision	Typical examples	Voting approach
Ordinary decisions	Approval of annual accounts, discharge of directors, appointment of auditors	Vote "for" unless information is incomplete or auditors' report is missing
Extraordinary decisions	Capital increase, by-laws amendments	Case-by-case analysis based on shareholder interest and governance standards
Board appointments	Election or renewal of directors	Vote "for" when the proposed director meets independence and integrity criteria
Remuneration	Approval of compensation policies	Vote "for" if consistent with the company's remuneration framework and performance alignment
Regulated agreements	Related-party transactions	Abstain or vote "against" if insufficient information is provided
ESG and sustainability topics	Climate, diversity, transparency resolutions	Generally vote "for" when aligned with responsible investment objectives

▪ **Organising the exercise of voting rights**

Persons entitled to vote are members of the Investment Team of the funds involved, who are in charge of reviewing and analysing resolutions presented by directors of the companies in which the Portfolio Management Company's funds are invested. The members of the Investment Team is in charge of organising and reporting on the exercise of voting rights.

Votes are systematically exercised on behalf of the funds managed by ARMEN, except in duly justified circumstances. A dedicated voting register is maintained to document each vote (in favour, against, abstention) together with the rationale behind significant decisions. While attendance in person is encouraged, ARMEN generally accepts remote voting where legally possible, ensuring efficiency and full traceability.

▪ **Conditions for the exercise of voting rights**

Shareholders may attend Board Meetings by any means, giving priority to voting in person. Members of the investment team may however vote by post, either by post or by where internet voting is available, in accordance with the legal and regulatory provisions in force.

Any vote cast contrary to ARMEN's voting policy should be documented and justified. The Head of Compliance and Internal Control reviews the voting process periodically as part of the permanent control framework.

▪ **Minimum holdings:**

Voting rights shall be exercised without a minimum holding threshold.

Depending on the circumstances, the management team may decide to exercise its voting rights for companies that do not meet the two criteria specified (nationality and percentage of stock held) if it deems this appropriate. The resolutions are analysed by the manager who is specially appointed to monitor the company involved and by the Head of Compliance and Internal Control. They identify any issues unfavourable to the interests of the company or the minority shareholders.

The principles articulated below concern all securities for ARMEN is called to vote. These principles might be inapplicable, depending on the nationality of the companies, as foreign laws may attribute different prerogatives to shareholder meetings.

4.4. Cooperation with other shareholders

ARMEN interacts with shareholders who sometimes join a greater initiative that seeks to deal with systemic problems such as climate change, or more specific concerns regarding any given business that are shared by a group of investors.

ARMEN participates through a clearinghouse for PRI (Principles for Responsible Investment) in the most important collective initiatives in relation to its holdings and ESG holdings. Other formal commitments signed by ARMEN call it to educate its partners about responsible investing and to demonstrate the advantages of ethical practices for businesses and the investment sector.

When relevant, ARMEN formalizes collaborative engagements within shareholders' agreements or governance frameworks of portfolio companies, ensuring that shared ESG objectives are consistently monitored and supported by all key investors.

4.5. Communication with relevant stakeholders

ARMEN can interact with various stakeholders (shareholders and in particular co-investors, directors, and management staff, bankers, attorneys, consultants, and sometimes even certain clients or suppliers).

4.6. Prevention and management of conflicts of interest

In application of the policy for managing and preventing conflicts of interest defined by the Management Company, the member of the Investment Team must, in exercising votes:

- Conduct themselves loyally and act in the best interests of the shareholders;
- Exercise their activity with the skill, care, and diligence required in the best interests of the unitholders/shareholders, transparency, and security;
- Comply with all applicable regulations in exercising their activities in a way that best advances investor interests and the market's integrity;
- Because of the nature of their job profiles, ensure that the information shared with them is used for the sole benefit of their clients.

The members of the investment team must alert the Head of Compliance and Internal Control immediately of any situation where a conflict of interest might affect the free exercise of voting rights.

The Management Company shall then assess the usefulness of voting after gathering the prior opinion of the Head of Compliance and Internal Control.

This policy operates in coordination with ARMEN's Conflicts of Interest Management Policy, which details procedures for identifying, escalating, and resolving any potential conflicts that could impact the exercise of voting rights or engagement decisions.

5. Reporting on the exercise of voting rights and the shareholder commitment policy

In accordance with its obligations, ARMEN shall document the way it has exercised its voting rights and shareholder commitment policy, in the annual management report (for instance).

This information is shared with the LPs within six months following the Management Company's closing of accounts.

The information given shall feature, for example (but not necessarily):

- A general description of the way voting rights have been exercised;
- The number of companies in which ARMEN has exercised its voting rights in relation to the total number of companies in which it holds voting rights;
- Cases for which the Management Company does not believe it can comply with the principles of this procedure, as well as cases of conflicts of interest it has had to resolve when voting;
- The method by which it has exercised its voting rights, the vote outcome, or its abstention from voting for each resolution;
- An explanation of the choices made regarding the most important votes.

It will also specify any deviations from the policy principles, the reasons for abstentions, and any conflicts of interest that occurred during the year. This disclosure enhances transparency and enables LPs to assess the consistency of ARMEN's engagement practices with its long-term objectives.

In addition, and in accordance with the provisions of the France Invest code of ethics, ARMEN documents its practices regarding voting rights in the annual reports of the funds that it manages, whether or not the securities are listed for trading on a market.

This information should be published on ARMEN's website within a reasonable period following the fiscal year-end, in line with AMF SPOT expectations for transparency.

6. Policy distribution and review

By simple request, ARMEN shall make this policy and the annual reports on its application available to its LPs. A reference to the existence of this policy is also available on ARMEN's website.

This policy is reviewed annually or as needed, particularly following regulatory updates or recommendations from the AMF. Its implementation is assessed as part of the internal control program.