Shareholder Rights Directive II – Implementation of Engagement Policy

BOUSSARD & GAVAUDAN

2025 Annual Report

Annual Report

Engagement and stewardship form an integral part of the investment process at Boussard & Gavaudan Investment Management, Boussard & Gavaudan America LLC and Boussard & Gavaudan Gestion (together "the Group" or "BG"). As such, BG is committed to complying with SRD II and is supportive of the directive's goal of encouraging long-term engagement and stewardship.

Under SRD II, in scope firms are required to develop, implement, and publicly disclose an Engagement Policy describing how the firm integrates engagement and stewardship into their investment process. BG first published its Engagement Policy in 2020 which it reviews annually with the latest update published in March 2026. The policy can be found on the Group's website:

https://www.boussard-gavaudan.com/files/upload/Engagement_Policy_2026.pdf

This report provides information on how the Group implemented its Engagement policy from 1st January 2025 to 31st December 2025.

BG is cognizant that it does not have the level of resources of larger asset management firms. With this in mind, the Group applies a focussed and pragmatic approach dedicating its attention to the areas where it believes it can most effectively add value for its clients.

BG's team of experienced and dedicated sector specialists are well suited to maintaining strong relationships with investee company management. The combination of experience with the Group's long established active management style has enabled the investment team to build an effective approach to engaging with investee companies across sectors and geographies, with a strong track record of implementing successful methods of escalation.

Voting

Delegated voting services continue to be popular in the asset management industry, whereby a third party makes recommendations on how an asset manager should vote and effects voting on shares held by an investment manager. This enables investment managers to vote on all shares held without having to dedicate much time or resources to the voting process. While BG recognises the value provided by these services in the application of a broad and systematic approach to voting, the Group has decided to implement a more targeted and focussed approach.

In accordance with the Group's Voting Policy (Annex 2 - https://www.boussard-gavaudan.com/files/upload/ESG_and_Responsible_Investment_Policy_v21_FINAL.pdf , BG commits to vote on companies in which it has a material interest in doing so for the benefit of its investors, namely:

- When the position represents 0.25% or more of the Group's assets under management and the Group holds 0.25% or more of the investee company's voting rights; or,
- when the Group holds 1.00% or more of the investee company's voting rights.

Summary Voting Record 2025:

Meetings eligible to vote at	125
Resolutions eligible to vote on	1,536
% of resolutions voted on for which eligible	100%
% voted with management	93.5%
% voted against management	6.3%
% abstained	0.3%
% of meetings voted at for which at least one vote was against management	13.6%

Example significant voting case study:

Company name	Software and Services Company (Details upon request)
Date of vote	January 2025
% holding at the date of meeting	2.3%
Summary of the resolution	Approval of the compensation components granted for the 2023 and 2024 periods.
Vote	Against Management
Rationale	The company had been poorly managed for years and ultimately required to be fully restructured to avoid liquidation. Approving compensation in this context was incompatible with the Firm's duty to protect long-term shareholder value.
Outcome of the vote	Despite BG voting against the resolution, the resolution was approved.

Engagement

In its role as asset manager, BG recognises that it has a fiduciary duty to act in the best interest of its clients over both short and long-term horizons. This duty includes undertaking responsible stewardship of client assets in a way that should add value for clients through time.

Engagement with investee companies forms part of the initial due diligence conducted by analysts on potential investments and is also part of the firm's ongoing monitoring and oversight of investments. BG engages with investee companies in different ways which enables BG's analysts to tailor engagement with the investee company according to the situation. Engagement is an integral part of BG's investment strategy, enabling the Group to steer investee company management to unlock the shareholder value identified by BG's analysts.

During 2025 BG's analysts engaged with investee companies on 13 occasions across a variety of topics.

Example case studies of engagement during 2025 are provided below:

	Engagement theme	**Rationale**	**Engagement**	**Outcomes and next steps**
Firm-level - Theme engagement case study 1	Environment — Pollution, Waste	The company is a major diversified environmental services company offering services in waste management. The diversified nature of their business prevents them from developing their activities fully due to negative synergies.	BG engaged with the company's CFO and Investor Relations to encourage a shift in strategy: •Core business growth: selling the hazardous waste disposal activity would allow reinvestment in the growth of their core business. •Under-development of Environmental Services: a specialist would also be able to develop this important activity better. •Pure play: the company will be better valued as a pure play.	The company decided to sell a majority stake in its environmental services business and became a "pureplay solid waste business" once the transaction was completed in Q1 2025.

Firm-level - Theme engagement case study 2	Social — Conduct, culture and ethics — Anti-competitive practices	This protein food company suffers from controversies regarding anti-competitive practices.	The company was looking to list in the US and BG took this opportunity to engage with the company to highlight that a strong improvement of its standards was essential to receive a positive response from investors.	Successful. The company has adopted a Global Antitrust Policy. The policy was reviewed and implemented by the Global Executive Ethics and Compliance Committee and applies globally.
Firm-level - Theme engagement case study 3	Social — Public Health	This consumer-packaged goods holding company suffers from weak product governance, as it rates in the 97th percentile of its subindustry in terms of product governance.	BG engaged with the company's Investor Relations team requesting that they: •Develop and detail their responsible marketing policy. •Improve their product safety program with managerial responsibility for product safety, regularly tested emergency procedures and incident investigation. •Obtain a certification of Quality Management System (QMS) from a reputable international standard such as ISO 9001.	The company responded positively to our engagement and is discussing our suggestions internally.

BG targets international best practice and follows the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD). Within this framework, BG will be engaging with companies, in collaboration with other supporters, to seek additional disclosers from issuers.

For more information, please or visit our website www.boussard-gavaudan.com

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