



**LOMBARD ODIER**  
INVESTMENT MANAGERS

**Lombard Odier Funds (Europe) S.A.**  
**Lombard Odier Asset Management (Switzerland) SA**  
**Lombard Odier Asset Management (Europe) Ltd**  
**Proxy Voting Policy**

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## 1. Purpose

The purpose of this policy is to set out the principles for the exercising of voting rights in respect of companies in which the LOIM Companies (as defined below) invest on behalf of the Clients (as defined below).

## 2. Definitions

Term	Definition
<b>Active Engagement</b>	means an active two-way dialogue between the LOIM Companies as investors and the targeted companies, with the goal of enhancing information and improving long-term business performance and value, both in terms of environmental, social and governance issues, strategy, risk management, capital allocation, and sustainability
<b>AGM</b>	means Annual General Meeting
<b>Board of Directors</b>	means the board of directors of an LOIM Company
<b>CISA</b>	means the Collective Investment Schemes Act of 23 June 2006
<b>Client</b>	means the Funds and Discretionary Managed Clients, as listed in Appendix A
<b>CSSF Regulation 10-4</b>	means the CSSF Regulation 10-4 transposing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company
<b>Discretionary Managed Client</b>	means an entity having signed a discretionary investment management agreement with an LOIM Company and having expressly in writing delegated the discretion to exercise its voting rights for the shares that it beneficially owns to a LOIM Company
<b>EGM</b>	means Extraordinary General meeting
<b>Fund</b>	means collective investment scheme administered and/or managed by the LOIM Companies
<b>Head of Stewardship</b>	means the head of stewardship of the LOIM Companies
<b>LOIM</b>	means Lombard Odier Investment Managers
<b>LOIM Companies</b>	consist of the following companies for this Policy: Lombard Odier Asset Management (Switzerland) SA; Lombard Odier Asset Management (Europe) Limited and Lombard Odier Funds (Europe) S.A. Each is an "LOIM Company" and ultimately owned by LO Holding SA
<b>Material Event</b>	means types of events that have to be referred to the LOIM Company for voting decisions such as merger agreement, merger of funds, merger by absorption, reorganisation/restructuring plan, scheme of arrangement, sale of company assets, joint venture agreement, plan of liquidation, spin-off agreement.
<b>Portfolio Management Team</b>	means a team of portfolio managers within the LOIM Companies
<b>Policy</b>	means this LOIM proxy voting policy
<b>Proxy Voting Service</b>	means a firm providing services to institutional investors relating to the voting of their shares at shareholder meetings of companies in which they invest
<b>SFAMA Code of Conduct</b>	means the Code of Conduct of the Swiss Fund & Asset Management Association as amended from time to time
<b>Stewardship Committee</b>	means the committee appointed by the LOIM Companies to oversee the implementation of the LOIM stewardship activities
<b>Voting Guidelines</b>	means the voting guidelines adopted by the LOIM Companies and appended to this Proxy Voting Policy, as amended from time to time

### 3. Summary

The LOIM Companies take a long-term perspective when exercising ownership rights. Where applicable, the LOIM Companies regard voting rights as an important component of the assets in which they invest on behalf of their clients. The LOIM Companies will therefore vote at shareholder meetings in accordance with this Policy unless this conflicts with its stewardship objectives, its expectations regarding the long-term performance of the assets, or local requirements.

LOIM Companies may act as management company or asset manager, as further detailed below, and this Policy must be read *mutatis mutandis*.

### 4. Local requirements

The Policy is applied globally across the LOIM Companies. However, it gives each LOIM Company the discretion to reflect local laws or standards where appropriate.

#### Luxembourg

Lombard Odier Funds (Europe) S.A. acts as the management company and/or the asset manager of Clients.

In accordance with article 23 of the CSSF Regulation 10-4, Lombard Odier Funds (Europe) S.A. has adopted the Policy and related appendices and documents designed to ensure that where Lombard Odier Funds (Europe) S.A. has the authority to vote proxies, it complies with its legal, fiduciary, and contractual obligations. It has developed adequate and effective strategies for determining when and how voting rights attached to instruments held in the Clients' portfolios are to be exercised to the exclusive benefit of the Clients. In addition, Lombard Odier Funds (Europe) S.A. ensures that the exercising of voting rights is in accordance with the investment objectives of the Funds.

#### Switzerland

Lombard Odier Asset Management (Switzerland) SA acts as the management company and/or the asset manager of Clients.

In accordance with Article 23 CISA and the SFAMA Code of Conduct, Lombard Odier Asset Management (Switzerland) SA has adopted the Policy and related procedures and documents designed to ensure that where Lombard Odier Asset Management (Switzerland) SA has the authority to vote proxies, it complies with its legal, fiduciary, and contractual obligations. It will ensure that voting rights attached to the instruments held in the Clients' portfolio are to be exercised independently and to the exclusive benefit of the Clients. In addition, Lombard Odier Asset Management (Switzerland) SA ensures that the exercising of voting rights is in accordance with the investment objectives of the Funds.

#### United Kingdom

Lombard Odier Asset Management (Europe) Ltd acts as the asset manager of Clients.

The Policy and related appendices and documents are designed to ensure that where Lombard Odier Asset Management (Europe) Ltd has the authority to vote proxies, it complies with its legal, fiduciary, and contractual obligations. It will ensure that voting rights attached to the instruments held in the Clients' portfolios are to be exercised to the exclusive benefit of the relevant Clients.

### 5. Guiding principles

Proxy voting and Active Engagement are important elements of the portfolio management services that LOIM Companies provide to their clients. LOIM Companies encourage the companies in which they invest to address strategic, operational, financial and structural governance weaknesses to the benefit of their clients.

Any change that LOIM Companies encourage the board or management to make through the exercising of voting rights or related engagement will be intended to improve a company's long-term performance. LOIM Companies' Voting Guidelines objectives favour proposals that (i) tend to maximise the Clients' long-term shareholder value; (ii) are not influenced by conflicts of interest; and (iii) factor in the cost to the Clients (e.g., ballot charges or share blocking). These principles reflect the LOIM Companies' belief that sound corporate governance and effective management of social and environmental risks will create a framework within which a company can be run in the interests of its shareholders.

## 6. Use of a proxy voting service

The LOIM Companies have retained a Proxy Voting Service (currently Institutional Shareholder Services) to assist them in the implementation and administration of the voting of the shares in which they invest. The Proxy Voting Service assists the LOIM Companies by providing operational, record-keeping, research and reporting services. It will prepare written analysis and recommendation on each proxy vote, based on the Voting Guidelines.

The LOIM Companies conduct periodic due diligence meetings with the Proxy Voting Service which include but are not limited to, a review of the proxy services, general organisational structure, new developments with respect to research and technology, workflow improvement and internal due diligence with respect to conflicts of interest.

The LOIM Companies may hire other service providers to replace or supplement the Proxy Voting Service with respect to any of the services the LOIM Companies currently receive from the Proxy Voting Service. In addition, a Portfolio Management Team may supplement the information and analyse the Proxy Voting Service provides from other sources.

The LOIM Companies must inform the Proxy Voting Service of any event such as launch, liquidation, merger, change of name, of any Clients covered by the Policy.

## 7. Applicable policy

LOIM Companies' voting rules are as follows:

- LOIM Companies vote systematically on behalf of their clients wherever applicable and practicable, considering a material threshold.
- In case of voting, a systematic vote will take place on 100% of the position, except for the equities issued by a company in a country with share blocking requirements (see Appendix C: Proxy Voting Service Market Mechanics Guide) for which the following will apply:
  - Long only Funds – systematic voting on 70% of the position
  - Swiss Funds – systematic voting on 70% of the position
- Voting at Swiss AGMs requires that the Fund's position is registered in the Fund's name prior to the meeting. It is the Fund Custodian's responsibility to proceed with such registration early enough to allow the effective casting of our votes.

Voting will be in accordance with LOIM's Corporate Governance Principles and Proxy Voting Guidelines, as implemented by the proxy voting service as a voting template, and LOIM companies' review process. The Proxy Voting Guidelines set out our expectations of companies and give an indication of how we are likely to vote when they are not met. These expectations are structured around five key pillars: leadership, disclosure and transparency, remuneration, share capital management and shareholder resolutions. In addition, material events, including those below, will be systematically referred to the relevant portfolio management team for a voting decision. Certain sustainability topics, see below, will be referred to the stewardship team for a voting decision.

### Material events

- merger agreement
- reorganisation/restructuring plan
- joint venture agreement
- plan of liquidation
- spin-off agreement.

### Sustainability topics

- robust oversight structures around ESG issues
- climate-related risks and opportunities (including taking action to address climate change and the protection of natural capital and to establish environmental/social issue board committee)
- M&A activity when it involves sustainability issues.

In addition, certain matters will be referred to our Stewardship team when the Proxy Voting Service recommends voting differently to the LOIM guiding principles.

- When LOIM Companies have an Active Engagement with a company, the vote requires input from the Head of Stewardship.
- In serving the interests of the Clients, an LOIM Company may consider following different rules in respect of specific investment strategy/Portfolio Management Team; rules and processes to be followed will then be documented separately.
- As an overriding principle, we have regard to the two main global governance standards (G20/OECD Principles of Corporate Governance (2015) and ICGN Global Corporate Governance Principles (2021) when determining how to vote.

## 8. Securities lending

Voting only takes place on positions that are free from securities lending. The LOIM Companies may recall a lent security if the position on loan per Fund reaches a defined materiality threshold. Deciding whether to seek a recall will be based on whether the benefit of voting outweighs the costs, lost revenue, and/or other detriments of retrieving the securities; and recognising that the handling of such recall requests is beyond the LOIM Companies' control and may not be satisfied in time for the LOIM Companies to vote on the shares in question.

## 9. Conflicts of interest

LOIM Companies' principal objective when considering how to vote is to ensure they fulfil their fiduciary duty by always acting in the interests of their clients. They have implemented processes to address potential conflicts of interest, aiming to prevent them from influencing their proxy voting decisions.

Such processes include an override process, where the Stewardship Committee will be notified of any conflict of interest that would arise in connection with LOIM Companies' exercise of voting rights.

## 10. Reporting

- The Proxy Voting Service will maintain a register of the votes exercised.
- The Head of Stewardship will prepare a report for the local management committee/dirigeants of the LOIM Companies and for the Board of Directors detailing voting undertaken for the Clients.
- The Company will make public disclosures of its voting decisions via the website [VDS Dashboard \(issgovernance.com\)](https://www.issgovernance.com).
- This Policy is made available to Clients via the website [www.loim.com](https://www.loim.com).
- Any Client, including share/unitholders in the Funds, may request to the LOIM Company, free of charge, the details of the voting decision taken based on this Policy.

## **Appendices**

Appendix A - List of Funds and Clients in scope of the Policy

Appendix B - Voting Guidelines

Appendix C - Proxy Voting Service Market Mechanics Guide

Appendix D - Operational procedure

## APPENDIX A - List of Funds and Clients in scope of the Policy – Only equity sub-Funds are in scope

- Swiss Funds:
  - LO Funds CH
  - LO Institutional Strategies (CH)
  - VF (CH)
  - Se Xue (partially covered) Lombard Odier Asset Management (Switzerland) SA does not apply this policy to Swiss dedicated funds for qualified investors. For these funds, specific instructions of the clients are applied.
- Luxembourg Funds:
  - LO Funds
  - LO Funds III
  - LO Gateway
  - LO Selection
  - LO Perspective
  - PrivilEdge
  - VF (Lux)
  - Multiadvisers
  - LO Funds IV
- French Funds:
  - Dauphine
  - Frozen
  - Opale Invest
  - Racines Family
  - Hories Invest
  - ARRCO QUANT 2
  - Carpilig R2
  - Cofijo
  - SELECTYS
  - ONYX 1
  - RM Investissements
  - Saphir Invest
  - DEODAT
  - ERAFP OBLIGATIONS CONVERTIBLES MONDE
  - RSI Obligations Etats OCDE Ex-Euro
  - Carpimko Actions LO
  - CNP GLOBAL CONVERTIBLE LOIM
  - ROPS SMART INDEX JAPON 2
  - ROPS OBLIGATIONS CONVERTIBLES 0-40 EUROPE 2
  - LEMAN



## APPENDIX B - Voting Guidelines

The Proxy Voting Service benchmark policy and LOIM Companies Voting Guidelines are described in Appendix B.

## APPENDIX C - Proxy Voting Service Market Mechanics Guide

This Market Mechanics Guide provides useful information as to share-blocking markets and other market specificities.

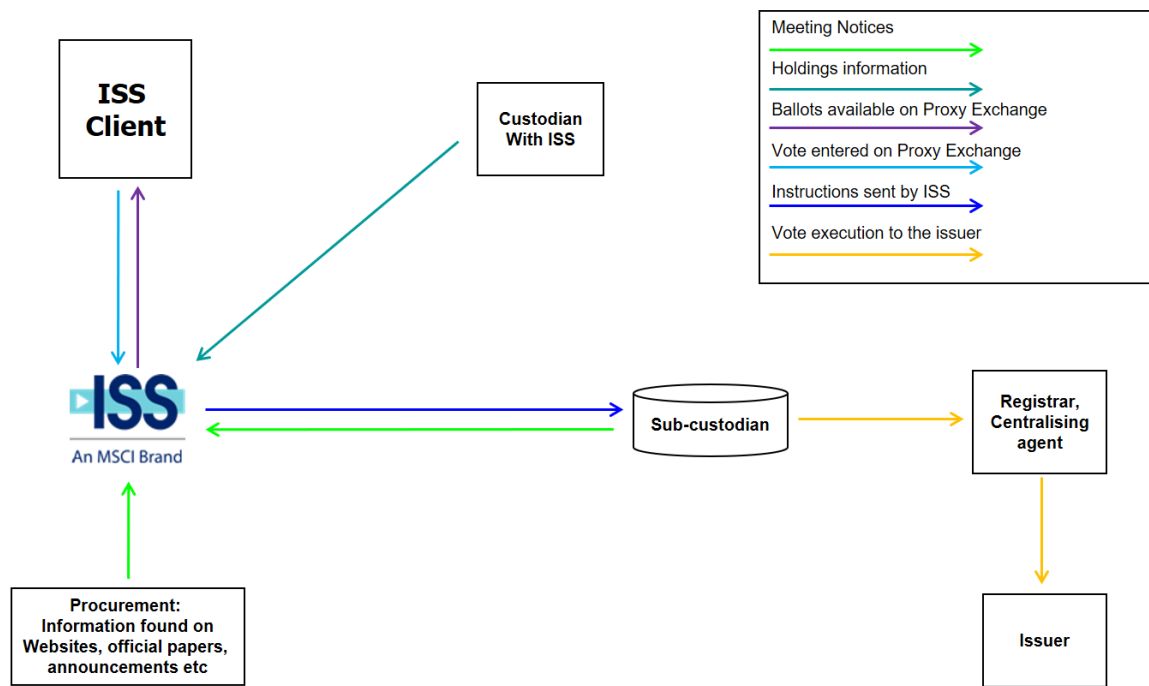
This document is publicly available: <https://www.issgovernance.com/file/faq/market-mechanics-guide.pdf>

## APPENDIX D - Operational procedure in relation to Institutional Shareholder Services

The procedure for implementing voting is based on the following principles:

- The relevant custodian of the Funds and Clients will provide a daily statement of holdings (via SWIFT or other) to the Proxy Voting Service. See below for the Simplified voting process flow.
- The relevant LOIM Company will provide on a regular basis a list of positions to vote in accordance with the Policy (materiality threshold may vary).
- Based on the Voting Guidelines, the LOIM Company has developed a set of rules which are implemented as a voting template by the Proxy Voting Service. This assists the LOIM Companies in determining how votes will be cast and supports their dialogue with companies. These rules are updated as required to reflect current best practice. Clients may inspect the voting template at any time.
- Voting will follow the abovementioned rules of engagement.
- Where a Material Event is taking place, the Proxy Voting Service will notify the LOIM Company Portfolio Managers by e-mail about the Material Event, its recommendation based on LOIM Companies' Voting Guidelines and the vote cut-off time. In case the Portfolio Management Team(s) decide(s) to vote differently from ISS, they will be able to suggest a vote which will be reviewed by the Stewardship Team before being acted. The Stewardship Team will look for vote consistency across LOIM Companies wherever it is judged relevant and applicable. Otherwise, the Proxy Voting Service will vote according to the Voting Guidelines.
- Where a Sustainability Event requiring a REFER is taking place, the Proxy Voting Service will notify the LOIM Stewardship Team by e-mail about the Sustainability Event, its recommendation based on LOIM Companies' Voting Guidelines and the vote cut-off time. In case the Stewardship Team decides to vote differently from ISS, it will manually input its vote decision on the ISS Platform, including a vote rationale. Otherwise, the Proxy Voting Service will vote according to the Voting Guidelines.
- In case a representative of a LOIM Company would like to attend physically the AGM or EGM, the Proxy Voting Service shall be informed of this early enough before the cut-off time so that it can require the relevant custodian to issue a certificate of holding mentioning among other details the personal references of the person who will attend the AGM or EGM.
- On occasions (as special situations may demand), the Proxy Voting Service, at the request of the LOIM Company, may refrain from voting on a proportion of the relevant portfolio so as not to adversely affect the management of the portfolio of a Fund or a Client.
- Specific markets require a Power of Attorney to be in place to allow effective vote casting. The list of such markets evolves – the objective being to be able to vote on the maximum number of markets while the financial and workload impact remains acceptable.
- If a security has been lent, LO Group's Securities Lending Section, upon notification, will recall the relevant security only if judged relevant.

## Simplified voting process flows, Custodian with ISS



Source: Lombard Odier Investment Managers data as of December 2021.