

Annexe

Implementation of the voting policy

Amundi adheres to the EFAMA code and participates in various governance bodies: AFG, ICGN, FIR...

1 Centralisation of the function

Amundi has centralised the exercise of voting rights within a Corporate Governance team composed of five experts in charge of coordinating all voting-related tasks, specifically:

- Monitoring General Meetings in the voting scope
- Managing relations with custodians and proxy voting companies
- Analysing the resolutions proposed by issuers
- Sharing information and soliciting the opinions of financial and extra-financial managers and analysts
- Calling and leading voting committees
- Undertaking shareholder dialogue through alert letters to issuers
- Ensuring reporting with the clients and Boards of the funds
- Being involved with working forums on governance.

Such centralisation aims at harmonizing the implementation of Amundi's voting policy.

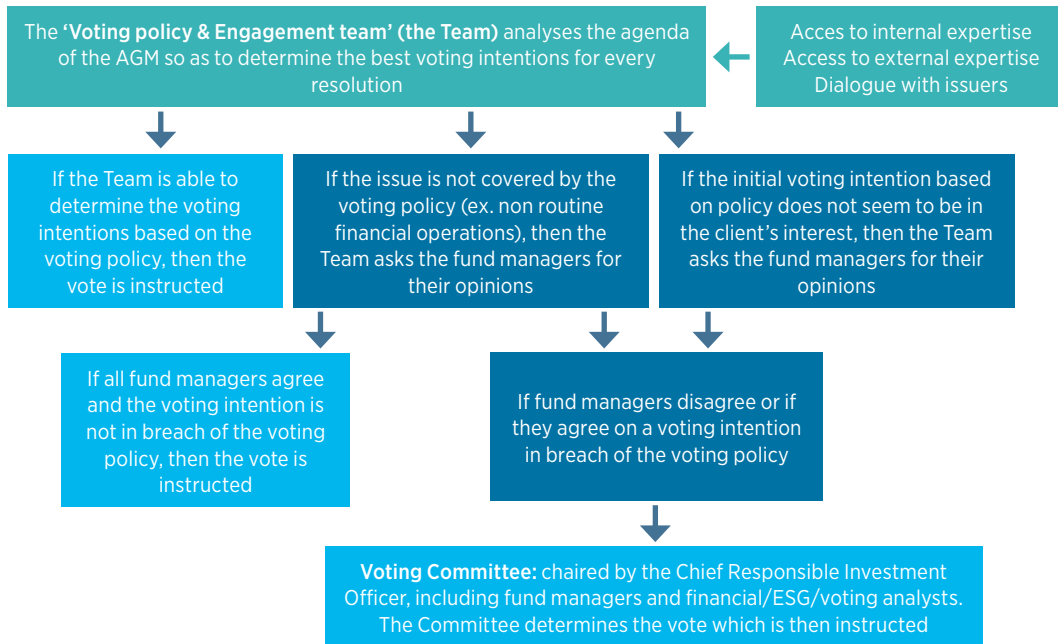
The team uses the ISS Proxyexchange platform to send its voting instructions. Analysis from ISS, Glass Lewis, and ECGS is available to more efficiently identify problematic resolutions, but the voting team does not necessarily follow these suppliers' recommendations.

The team reports directly to the Group Chief Responsible Investment Officer consistent with Amundi's global ESG commitment.

2 Voting Committee

Chaired by the Group Chief Responsible Investment Officer, it includes fund managers and analysts. It reviews the files presented by the voting & engagement analysts and decide on the direction of the vote. This committee is held on a twice-monthly basis but can be summoned as need be.

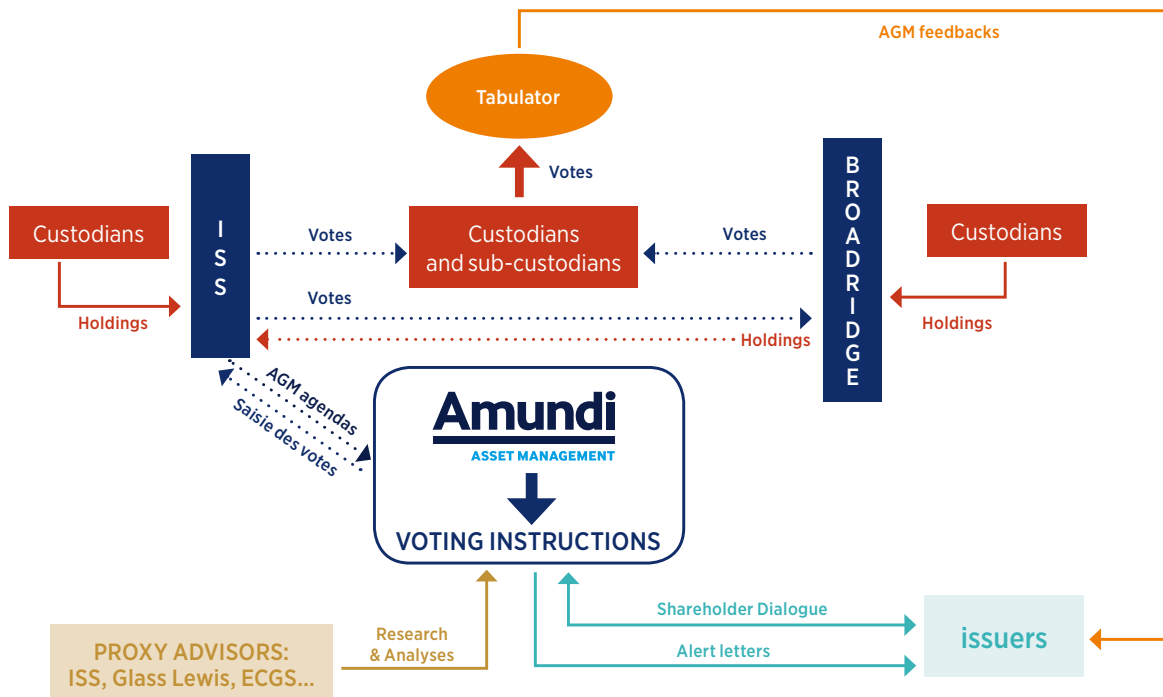
Voting decision diagramme:



3 Current method for exercising voting rights

In most cases, voting rights are exercised by correspondence/proxy. Attending a General Meeting to directly exercise voting rights may be useful or necessary in certain cases.

Simplified diagram of the voting circuit



4 Voting scope for 2019

To best fulfil its responsibility as an investment management company in the exclusive interest of its clients, Amundi decided to exercise the voting rights of a large majority of its managed funds under French and Luxembourg law, regardless of their management strategy¹.

Criteria for selecting Funds

To avoid any adverse impact on unit holders, there are established criteria for avoiding excessive voting costs and improving efficiency. This applies only to funds whose equity assets are €15 million or less. Based on the chosen threshold, funds whose assets are too low need not be retained, and disproportionate costs can be avoided. Nonetheless, certain special funds below this threshold may be included in the scope.

The voting right is exercised on the entirety of the shares held, unless the required blocking period threatens to have an adverse impact on the bearer by interfering with the leeway the portfolio manager needs. Exceptionally, we may not be able to ensure effective voting for some or all of the shares held.

Criteria for selecting meetings

For European companies, the funds exercise their voting rights at the meetings of the companies in which they have an equity investment. However, again in the interests of cost control and increased efficiency, Amundi has decided to vote at non-European meetings only where its consolidated vote will represent more than 0.05% of the company's share capital. Nevertheless, this criterion may not be applied for General Meetings that are of particular importance or for funds that specifically require a full vote.

Delegated management

When the management of an equity portfolio is trusted to an outside manager, that manager may have the voting rights, as provided in the delegation contract. The delegated manager is free to exercise the voting rights pursuant to a general voting rights policy defined at the outset and disclosed. Amundi ensures that the elements included in this voting policy are not in contradiction with its own guidelines, and that the delegated manager can provide a report of the votes cast at the General Meetings.

5 Policy on securities lending

Voting rights are exercised for securities held in the portfolio by the fund at the time of the General Meeting. To fully exercise these rights, the lent securities are recalled in accordance with local laws, technical constraints, and the interest of the meeting. Shares are automatically recalled for all meetings considered sensitive.

6 Conflicts of interest

For the exercise of their funds' voting rights, Amundi may be faced with conflicts of interest, especially with entities within its group.

To minimise this possibility, a procedure has been established for resolving these conflicts. In terms of prevention, the first measure is to publish the voting policy criteria; the policy is approved by senior management of group companies.

Established procedure:

Access to the resolutions of the General Meetings, for analysis purposes, means that management heads can be alerted if any potential conflicts of interest are identified. If there is a demonstrated conflict of interest, the following procedure is applied:

- 1 Alert the Chief Investment Officer that (a) certain proposed resolution(s) is (are) in conflict with voting policy principles.
- 2 Compile explanatory records.
- 3 A meeting is held with the Heads of Fund Management, Compliance, and Legal Affairs.
- 4 This management "panel" makes the voting decision. If the various parties cannot reach an agreement, the decision goes to the Executive Committee.

1. With the notable exception of ETFs managed via a "synthetic replication" method, because their aim is to fully replace their benchmark indices, by using a performance swap and, as such, ETF yields are not dependent on the yield of the shares held by these funds, insofar as their dividends as well as their capital gains are the subject of a performance swap with a market counterparty.



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