



VOTING REPORT FOR FINANCIAL YEAR 2019

The voting policy is an extension of the investment policy, the objective of which is to seek regular long-term performance in line with the funds' management guidelines. It incorporates the peculiarities of each country in terms of company law and corporate governance.

As a responsible investor, Crédit Mutuel Asset Management pays particular attention to the corporate governance structures and practices in which it invests on behalf of its customers and the funds it manages. Robust and transparent corporate governance practices generate long-term shareholder value and are elements of risk management. The team responsible for implementing the voting policy is regularly asked to question companies on the resolutions proposed at General Meetings and to inform them of the main elements of Crédit Mutuel Asset Management's voting policy.

The principles of Crédit Mutuel Asset Management's voting policy are as follows:

- Compliance with minority shareholder rights and fairness between shareholders
- Transparency and quality of information provided to shareholders
- Clarity and balance of powers between management bodies
- Sustainability and integration of long-term corporate strategy
- Support of best practices in corporate governance

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March 2020

A-Exercise of voting rights in 2019

In 2019, Crédit Mutuel Asset Management voted at 993 general meetings, representing a 100% participation rate, in 38 countries. The main principles of the voting policy have been respected.

B- Change in voting activity

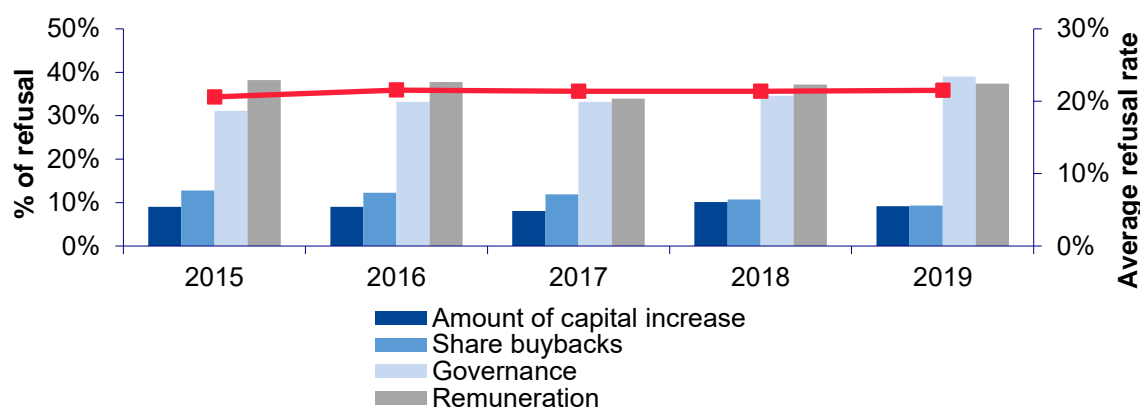
	2015	2016	2017	2018	2019
Number of general meetings	1,064	1,071	1,012	1,081	993
Number of resolutions	14,148	14,134	14,153	14,710	13,397
of which: Proposed by the board	13,836	13,870	13,924	14,457	13,190
Coming from minority shareholders	312	264	229	253	207
Average number of resolutions per general meeting	13.3	13.2	14.0	13.6	13.5
Number of opposition votes per general meeting	2.7	2.8	3.0	2.9	2.9
Opposition votes / number of resolutions	20.6%	21.5%	21.4%	21.4%	21.5%

13,397 resolutions were analysed, of which 1.6% were from minority shareholders. The votes contrary to the recommendations of the management concerned 840 meetings (85%) and 21.5% of the resolutions, i.e. an average of 2.9 resolutions per meeting. Disagreements focused on the same four themes as in the past, two of which remain dominant, executive remuneration in the broad sense (37%) and governance - appointment of directors, management mode, operation of the company's bodies (39% of the oppositions), and two more marginal themes, share buybacks and cancellations (9%) and requests for capital increases (9%).

No abstentions were made.

All resolutions concerning energy transition, climate and, in general, better consideration of environmental and social risks, were accepted.

Main reasons for opposition





C- Breakdown of meetings by major geographic area

Europe	720
Eurozone	568
o/w France	229
Germany	90
Belgium	35
Spain	27
Finland	13
Ireland	23
Italy	43
Luxembourg	57
The Netherlands	37
United Kingdom	50
Sweden	34
Switzerland	42
Other	26
Americas	209
o/w United States	147
Canada	51
Asia	46
Others (Australia and South Africa)	18

■ France

Crédit Mutuel Asset Management participated in 229 general meetings of French companies (231 in 2018), including three bondholder meetings. For practical reasons, and with two exceptions, Scor and EssilorLuxottica, Crédit Mutuel Asset Management voted by correspondence.

4,568 (4,780 in 2018) resolutions were reviewed, or 19.9 per meeting (20.7 in 2018). 916 (976 in 2018) were the subject of an opposition vote, i.e. 20.1% (20.4% in 2018), in 199 meetings, which represents on average 4 resolutions refused per meeting (4.2 in 2018) and 4.6 if one considers only the meetings concerning a vote against (4.7 in 2018).

Resolutions related to the remuneration and financial benefits granted (remuneration policy, ex-post remuneration, regulated agreements specifying the conditions of departure or retirement, stock options, performance shares and free shares) still make up a significant portion of the refusals, 39.4%, as well as governance issues (25%).

5 resolutions proposed by minority shareholders were accepted, concerning the composition of the board of directors and its diversity, as well as the dividend of a highly leveraged company. Five minority shareholders' resolutions were rejected.

Themes of resolutions refused in France

	By number	%
Remuneration	363	40%
o/w: Say on Pay	85	9%
Ad hoc regulated agreements	104	11%
Performance shares (free shares)	89	10%
Stock options	85	9%
Disproportionate requests for capital increase	178	20%
Share buybacks and cancellations	122	13%
Governance	206	22%
of which: Composition of governance bodies	31	3%
Functioning of corporate governance bodies	34	4%
Capital control and equity between shareholders	3	0%
Reserved capital increases	138	15%
Capital increase during a public offer period (including "Breton" subscription warrants)	20	2%
Approval of the financial statements	0	0%
Statutory thresholds:	7	1%
Miscellaneous	20	2%
TOTAL	916	100%

■ Europe

Crédit Mutuel Asset Management participated in 491 (537 in 2018) general meetings of European companies - excluding France. Almost all of the votes were channelled via the Broadridge electronic platform.

5,833 (6,399 in 2018) resolutions were analysed, of which 44 (48) were presented by minority shareholders. The average number of resolutions per GM stabilised at 11.9, with an opposition rate rising to 24.7% (23.3% in 2018 and 24.2% in 2017). Oppositions are stable at 2.9 resolutions per meeting – 3.5 resolutions if one considers only meetings with refusal (compared to 3.4). In 416 meetings, 1,403 resolutions proposed by management were refused, and 36 resolutions from minority shareholders were accepted.

Requests for discharge of responsibility for directors and auditors still constitute the bulk of the opposition votes in the operating category of corporate governance bodies.

Of the 36 resolutions of minority shareholders approved, 28 concerned governance - including 20 for the composition of governance bodies in Italy, and 7 for environmental issues.



Themes of resolutions refused in Europe outside France

	By number	%
Remuneration	362	26%
of which: Direct remuneration	264	19%
Stock options	97	7%
Disproportionate requests for capital increase	83	6%
Share buybacks	145	10%
Governance	715	51%
of which: Composition of governance bodies	42	3%
Functioning of corporate governance bodies	668	48%
Capital control and equity between shareholders	5	0%
Capital increase during a public offer period	48	3%
Donations to political parties	31	2%
Miscellaneous	19	1%
TOTAL	1,403	100%

■ International

Crédit Mutuel Asset Management participated electronically in 273 meetings, compared to 313 in 2018; 2,996 resolutions were studied, of which 153 were filed by minority shareholders. 224 meetings showed an expression of a direct vote against management, and also an indirect vote against management in 60 meetings, due to the acceptance of resolutions by minority shareholders not approved by the Board. Of the 3,843 resolutions presented by management, 378 were refused, including 318 (84%) on matters related to remuneration, remuneration policies and stock options, and 40 (11%) on the composition of governance bodies.

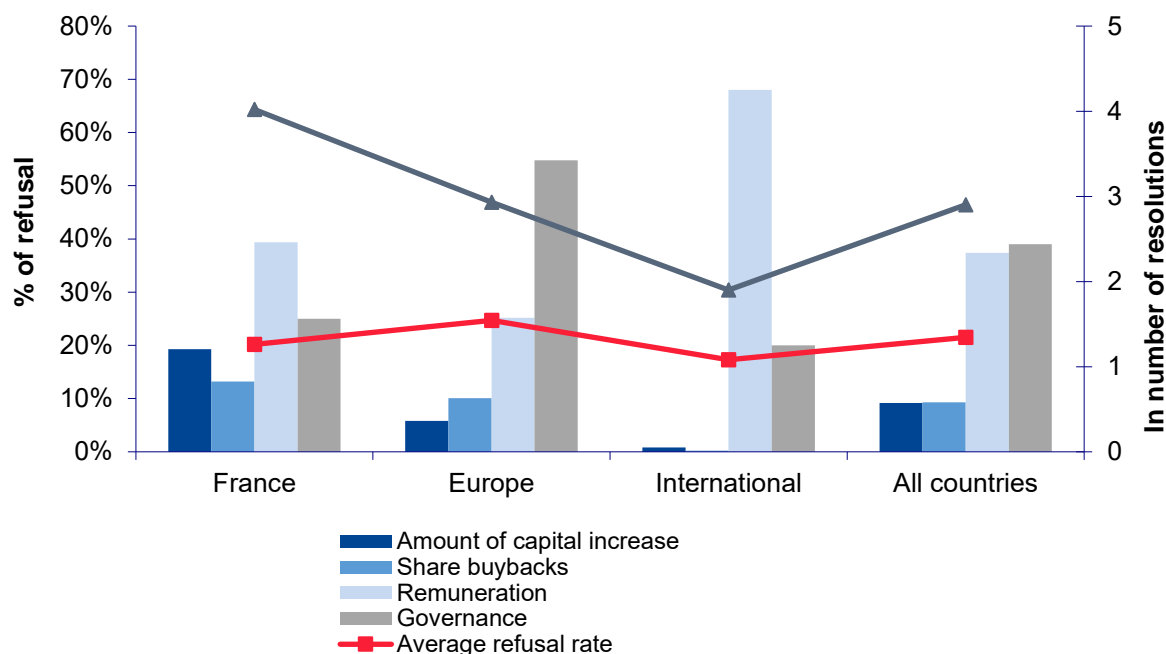
Among the resolutions of minority shareholders, almost all of them in the United States, 141 were approved, including 53 on governance (composition and diversity of boards, business ethics, tax evasion, succession plans), 35 on remuneration (including gender equity, the impact of share buybacks in the calculation of remuneration, and consideration of litigation, ESG criteria and compliance in variable remuneration), 15 on the donation and lobbying policy, 14 on human rights (activity in conflict zones, protection of migrant workers at supplier locations, protection of private data), 11 on the environment (GMOs, deforestation, palm oil, climate change and achievement of the objectives of the Paris agreement, pesticide monitoring, etc.), 9 on ethics and health (drug prices, opiates, limiting the use of antibiotics on animals, amounts of sugar in food).

Other topics have been proposed more marginally, such as 'fake news' and content ethics, indigenous peoples' rights, work in prison, the use of plastic straws and responsibility of the supply chain in deforestation.

On average, votes against management represent 1.9 resolutions per shareholders' meeting and 17% of the resolutions.



2019 - Opposition grounds by area



■ Bondholders' Meetings

Such meetings are relatively exceptional in nature. Securities are usually locked up for several weeks, a fee being paid in exchange.

Crédit Mutuel Asset Management participated in 4 bondholders' meetings, 3 of them French and 1 of them Dutch, with resolutions concerning substantial changes in the issuer. They were all approved.