

Stewardship Policy

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| Società | Amundi SGR |
| Processo | Controllo Rischi e conformità |
| Attività | Stewardship policy |
| Attore principale | Compliance & AML |
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1. PREAMBLE

Amundi supports a robust dialogue with corporate issuers on corporate governance issues. Therefore a number of different workflows have been implemented in order to achieve a full compliance with:

- EFAMA Code for External Governance / Assogestioni Stewardship principles
- the United Nations Principles for Responsible Investments (UNIPRI)
- Market Abuse regulations
- Major Shareholdings disclosure regulations

The present policy, available on the Amundi website, currently applies to the issuers listed on the Italian Markets. Nevertheless, Amundi is committed to extend the application of the Stewardship Principles as much as possible on all of the markets.

On an annual basis, upon the presentation of the annual statements, Amundi publishes a report outlining the main initiatives occurred through the year in order to ensure that the investment process is constantly linked with the governance matters (monitoring, engagement and above all voting) in order to create added value in the long term for their Clients/Investors.

In particular Amundi is committed to monitor all of its investments, engage on a collective basis and to vote all of its proxies on the basis of a fair and proportional approach in order to achieve the best interests of funds' subscribers.

2. DOCUMENTED POLICY

"IMCs should have a documented policy available to the public on whether, and if so how, they exercise their ownership responsibilities"

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In particular Amundi believes that the process of the value generation for the issuers is embedded in the following processes:

- the strategy and performance of an investee listed issuer;
- ordinary corporate governance matters, such as establishment, election, successions and remuneration of the Board of Directors;
- approach to corporate social responsibility;
- risk management.

The workflows implemented are evaluated by Amundi also from a cost/benefit perspective and this may lead Amundi to consider a flexible and proportional approach in voting and engaging issuers, also based on qualitative or quantitative criteria, as specified in the dedicated chapter of the Policy. The same considerations are valid in case of shareholdings related to securities lent.

The investment process in Amundi is fully independent and is based on the decision taken by each portfolio manager, within the framework of the analysis shared with the financial analysts appointed for the specific issuer.

Amundi believes that Investments is the corporate function that can truly evaluate the decisions to be taken on the positions of the portfolios managed. Therefore the Portfolio Managers, under the framework set up by the Chief Investment Officer¹ ("CIO"), are the ultimate responsible for the actions to be taken.

¹ In his role of Director empowered to carry out investment decisions on behalf of managed portfolios

As a general rule, shareholders rights are exercised in the shareholders meetings through the exercise of the voting rights. The exercise of the voting rights is crucial and to this purpose Amundi has developed Proxy Voting Policies aimed at assessing in advance the best market practices for each agenda point to be voted.

Nevertheless, when a portfolio manager believes that further actions are necessary in order to obtain more information or to submit Amundi comments on a specific case, the CIO shall be informed together with the Head of Legal and Compliance & AML Departments.

In case of particular relevance, the decisions taken will be also evaluated by the Independent Directors, which provides a non-binding opinion.

In case of active dialogue with an issuer, particular attention must be taken in order to avoid the risk of disclosure of insider information by the issuer and in any case in order to avoid the risk of commission of market abuses.

Detailed conduct rules are available in the Market Abuses Policies.

In order to minimize conflicts of interests regarding an investee company, Amundi has developed Proxy Voting Policies that contain specific provisions. One of the most significant organizational measure implemented by Amundi is the presence Independent Directors. For detailed information and workflows Amundi has developed Conflicts of interests Policies.

3. MONITORING

"IMCs should monitor their investee companies"

Amundi monitors investee listed issuers in order to verify their capabilities to be proactive in identifying problems in advance and to minimize potential losses.

Amundi Portfolio Managers and financial analysts monitor financial data and issues of corporate governance of investee listed issuers, in order to better protect the interests of the collective investment undertakings and portfolios managed.

On a continuous basis Amundi monitors and interacts with issuers through:

- Analysis of financial information publicly available
- Research reports
- Investors Conference calls
- Company meetings

The role of the Analysts is key in the monitoring activity.

In order to take an informed decision, Amundi has subscribed a number of services from selected providers, that provides Investments with the best available corporate governance research, voting recommendations and proxy voting services.

The information received, evaluated with Amundi Internal research, are then used in the ongoing evaluation of the open positions by Portfolio Managers / Investments.

In the yearly report on Stewardship, Amundi also presents statistics on the monitoring performed.

To this end, the portfolio managers and financial analysts are required to keep track of the activity performed. Any contact with the investee listed issuers which goes beyond the above mentioned common practices must be communicated to Legal and Compliance via email.

In the context of monitoring activities, all involved employees must ensure that any potential insider information is not disclosed inadvertently by the investee listed issuers, otherwise in case of any doubt Compliance must be informed without delay.

4. ENGAGEMENT

"IMCs should establish clear guidelines on when and how they will intervene with investee companies to protect and enhance value"

Amundi believes that regular interaction with investee listed issuers can help to protect and guarantee value in the long term. Therefore Amundi retains the possibility to intervene, also on a stand-alone basis, where an intervention may be found to be necessary in order to protect the best interests of the collective investment undertakings or portfolios managed.

Amundi has established that in the following circumstances an active intervention would be generally required and consequently periodically evaluates the results of such approach:

- From the Amundi side: relevance of the exposure for the portfolios managed or in any event reputational risks linked with ESG risk;
- From a governance perspective:
 - support to the minority shareholders,
 - election of candidates for the Board of Directors or Board of Statutory Auditors,
 - extraordinary corporate actions.

Amundi may want to intervene, for example, when there are significant worries regarding the strategy and performance of investee listed issuers, or in regards to their governance or approach to environmental and social issues. Nonetheless, divestment from an investee issuer may also be an appropriate measure to protect the interest of the investors.

By way of example, initial discussions could include, when necessary, the following aspects:

- organizing meetings with the management and the investor relations structures of the investee listed issuer in order to specifically discuss the problems in question;
- making the worries explicit through the issuer's consultants; meeting with the administrative and/or auditing bodies (the chairperson of the administrative body, the executive directors, the lead independent director, the chairperson of the auditing body, , the chairperson of an internal committee or other independent directors, including minority members, also taking into account the allocation of functions within the corporate bodies).

As a general rule, in order to meet the best interests of funds' subscribers, Amundi has determined that the active direct engagement with the issuer on a stand-alone basis will be pursued when:

- the size of the equity investment in the issuer in question (typically 2% of the share capital) and in parallel
- or the significance of the investment with respect to the total assets of the collective investment undertaking (2% of the portfolio asset).

If the corporate bodies do not react in a constructive manner, Amundi will verify the possibility of involving other institutional investors, for example:

- taking action, also jointly, in regards to specific issues;
- releasing a public declaration before or during the annual General Meeting or an extraordinary Shareholders' Meeting;
- presenting possible resolutions at Shareholders' Meetings;
- requesting a call of a General Meeting or the integration of the agenda of an already called General Meeting to propose shareholders possible specific initiatives, such as, for example, those aimed at introducing changes to the corporate bodies

5. COOPERATION

"IMCs should consider cooperating with other investors, where appropriate, having due regard to applicable rules on acting in concert"

At times, cooperation with other investors may be the most effective method of engagement.

For the Italian Issuers a particular role is played by the Assogestioni Managers' Committee where Amundi is an active member and through which the most important decisions are discussed and are conveyed.

Amundi participates generally to all of the collective initiatives implemented by Assogestioni.

The collective engagement through Assogestioni and the presentation of candidates for election as independent minority members of the corporate bodies of investee listed issuers, through the Assogestioni lists typically, represents for Amundi a continuous, effective and constructive method of engaging with investee issuers.

Amundi is actively involved in the presentation of Minority lists by Assogestioni for the renewal of the Board of Directors and Board of Statutory Auditors. To this purpose Assogestioni has created a Managers' Committee, which is aimed at presenting the above mentioned Minority Lists.

The principles and criteria for the identification of the candidates are decided by the Assogestioni Committee for the Corporate Governance. The Committee is responsible for the identification of the requisites of professionalism, honorability and Independence of the candidates and also for the identification of the condition of ineligibility and incompatibility.

6. VOTING

"IMCs should exercise their voting rights in a considered way"

Amundi has developed specific policies and procedures for the considered exercise of the voting rights attached to the securities managed.

A number of organization measures have been implemented by Amundi in order to minimize the risk of conflicts of interests and at the same time comply with the rights and obligations of participation to the shareholders meetings of the listed issuers.

In particular the presence and the voting decisions for the shareholders meetings are based on the Proxy Voting Policies which are in turn based on the best market practices. Amundi has subscribed a Proxy Voting service provided which provides information and suggestions on the voting decisions to be taken.

In relation with ESG referred items, Amundi complies since 2009 with the United Nations Principles on Responsible Investments, putting particular attention in the voting decisions and also using specialized information provider.

As part of its commitment to Corporate Social Responsibility (CSR) towards its stakeholders and in light of the international agreements banning anti-personnel landmines and cluster munitions, Amundi has also developed and implemented a policy with regard to companies involved in the production of controversial weapons banned under the UN Convention on Cluster Munitions (which became binding international law on August 1, 2010) and the Convention on Anti-Personnel Mines. The UN Conventions defined below prohibit all use, stockpiling, production and transfer of Anti-Personnel Mines and Cluster Munitions, and also from assisting, encouraging or inducing anyone to engage in prohibited activities.

Amundi uses specialist advisory firms that provide in-depth research, analysis and ratings of the environmental, social and governance-related business practices of thousands of companies worldwide. These firms carry out the analysis required to determine a company's involvement in controversial weapons like anti-personnel mines and cluster munitions.

Building on this research and analysis from the external technical experts along with Amundi own in-house research, a list is drawn identifying such companies. This list is then used in Amundi screening process and portfolio construction.

Without prejudice to the above, Amundi retains the right to aggregate portfolio securities issued by directly or indirectly controlling companies in order to reach the Quorum to submit the list of candidates for corporate elections.

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7. DISCLOSURE

"IMCs should report on their exercise of ownership rights and voting activities and have a policy on external governance disclosure"

This Policy is available on the Amundi website.

Upon a request by Clients/Investors, Amundi can provide evidence of the decision taken for exercising the rights inherent to the financial instruments held with the collective investment undertakings and portfolios managed and provide the details regarding the methods used to fulfill their own responsibilities.

Transparency is an essential element in effective external governance. In any case, Amundi retains the right not to divulge any information that could potentially be counter-productive.