ENGAGED SHAREHOLDER REPORT
VOTING RIGHTS AND DIALOGUE POLICY
LYXOR Asset Management
2018 Financial Year
ÉDITO

For several years now, LYXOR has placed Socially Responsible Investment at the heart of its investment strategy by creating concrete solutions that take into account environmental, social and governance factors in order to meet the challenges of the future.

As an asset manager, our fiduciary responsibility to our clients is the implementation of all means to enhance long-term value creation. The voting and engagement policy is one of the levers to achieve it.

As such, we express our convictions on corporate governance through the exercise of our voting rights and our expectations toward issuers in which we invest: i.e. that they take into consideration all extra-financial issues face, in full transparency. LYXOR has set up an internal ecosystem of experts to ensure this necessary qualitative analysis.

2018 was particularly rich for LYXOR in terms of shareholder engagement. We have taken a new step with the implementation of our engagement policy. Throughout the year, we have actively engaged with companies in a spirit of exchange and construction concerning, of course, governance, but also on climate issues.

Indeed, for its first engagement campaign, LYXOR wanted to focus on the climate transition and it is therefore naturally that we joined the international initiative Climate Action 100+.

This first “engaged shareholder” report presents a summary of the implementation of LYXOR’s voting and engagement policy in 2018.

Have a pleasant reading!
2018 KEY FIGURES*

**Assets under management and advisory**

€137,3 bn

**Voted assets**

€14 bn

**Share of voted assets***

77%

UN-PRI rating « Strategy & Governance », 2018

A+

**Number of voted general meetings**

200

**Number of analyzed proposals**

2,613

**Average rate of opposition at general meetings**

22%

**Share of general meetings with one negative vote**

77%

**Number of companies met as part of the engagement**

32

*Figures as of December 31st, 2018. Figures presented in the larger circles concern the entire LYXOR Group including LYXOR Asset Management and LYXOR International Asset Management. Details for LYXOR Asset Management are presented in the smaller circles.

** Included €19.6bn of assets under advisory.

*** Based on equity-type underlying assets in investment vehicles in direct replication. The funds where the exercise of the voting rights are delegated to an external manager are not taken into account.
LYXOR Asset Management SAS (hereafter referred to as “LYXOR”) is a fully-owned subsidiary of Societe Generale Group. This document outlines how LYXOR, on behalf of its clients, exercises its role as an engaged and responsible shareholder.

Convinced of the environmental, social and governance challenges, LYXOR has defined – as an extension of its approach as a responsible investor and in line with its adherence, since many years, to the United Nations Principles for Responsible Investment (PRI) – a shareholder engagement policy attached to the securities held by the CISs (AIFs and UCITS) which it manages.

This policy is reflected in two complementary areas: a constructive dialogue policy between LYXOR and companies owned, and a voting policy, thereby fulfilling the fiduciary obligations to LYXOR’s clients.

LYXOR’s voting and dialogue policy for the 2018 financial year is available on the website of the asset management company, at the following address: https://www.lyxor.com/en/socially-responsible-investment

In accordance with the regulation of the French Financial Market Authority (AMF) no. 319-22 and 321-133, LYXOR reports in this document the conditions under which it exercised its voting rights. This report covers the 2018 financial.

LYXOR’s 6 commitments as a signatory of the PRI

1. We will incorporate ESG issues into investment analysis and decision-making processes.

2. We will be active owners and incorporate ESG issues into our ownership policies and practices.

3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.

4. We will promote acceptance and implementation of the Principles within the investment industry.

5. We will work together to enhance our effectiveness in implementing the Principles.

6. We will each report on our activities and progress towards implementing the Principles.
Convinced that the performance of a company is not solely based on its financial performances, LYXOR today expects companies in which it invests to take into account extra-financial issues as well as be transparent about it.

Integrate these environmental, social, societal and governance issues, is beneficial to the long-term performance of companies and therefore in the long-term interest of investors.

In order to promote best practices in this area, LYXOR has defined a dialogue policy with issuers that can be divided into two distinct and complementary actions:

1. **GENERAL PRINCIPLES**

   As the representative of the shareholders UCIs that it manages, LYXOR undertakes to exercise the voting rights attached to the shares held by these UCIs in order to promote best practices in corporate governance. To do so, LYXOR will use its influence before general meetings, to initiate a constructive dialogue with companies with a double objective:

   - **A proactive dialogue before general meetings**
     - Enrich the analytical work and vote in perfect knowledge
     - Encourage companies to adopt best practices in terms of corporate governance

   - **A thematic engagement**
     - LYXOR will define one theme related to environmental, social, societal or governance issues to engage with the concerned companies. The purpose is to influence companies to improve or adopt the best Corporate Social Responsibility practices.
In 2018, the Sustainable and Responsible Investments team of LYXOR had the opportunity to carry out 36 engagement campaigns among 32 European companies. These campaigns could specifically concern the issuer’s general meeting or being broader and address environmental, social or governance issues.

Thereby, 57% of the engagement campaigns were directly linked to topics addressed during general meetings and 43% concerned ESG issues specific to each company. These discussions mainly – 46% – took the form of physical meetings, 34% were carried out through conference calls and 20% during roadshows (event allowing the issuer to discuss with several investors).

As a French asset manager, LYXOR considers, its role of engaged and responsible shareholder towards all the more impacting on French issuers. Thereby, for this first year of engagement campaign, LYXOR deliberately laid emphasis on dialogues with French issuers.

In addition, since we want to be consistent with our voting scope (see. Part II: Exercise of voting rights), LYXOR also initiated dialogues with non-French companies.
Among the various addressed topics, **executives’ compensation** was one of the most frequent, especially in view of the implementation of binding vote on executives’ ex-post compensations within the framework of the law Sapin 2.

The **organisation and the composition of boards of directors** or supervisory board, were at the heart of discussions as well. LYXOR notably questioned:
- the qualifications of board’ members and their adequacy with the company’s activity and/or strategy;
- the level of board diversity;
- the attendance of board members at board and/or committees meetings;
- the independency qualification of board’ members by the company;
- the presence of employee representatives at the board…

The 2018 financial year was also the occasion to review the **lead director’s function**, the **statutory auditors’ seniority** and their fees’ allocation, or even the **shareholder structure** for some companies. The **combined functions of Chairman and Chief Executive Officer** was addressed several times as well. Moreover, some dialogues allowed to better apprehend certain **strategical operations** of the type merger / acquisition.

In some cases, these dialogues before issuers’ general meeting, allowed to clarify some issues and thus, to avoid negative votes from LYXOR (see. Part II: Exercise of voting rights).

Finally, during the entire general meetings’ season, LYXOR, in line with its policy of engaged and responsible shareholder, systematized a proactive communication with issuers when an opposition with at least one of the proposals submitted to shareholders vote was pre-registered.
Finally, LYXOR is a signatory of the Climate Action 100+ initiative. Launched in December 2017 during the One Planet Summit, the Climate Action 100+ is a collaborative initiative which now gathers more than 300 investors (representing more than 32 trillions of dollars in assets under management) and defines a monitoring list including more than 160 companies around the world, which are the most emitters of greenhouse gases (GHG).

By joining this initiative, LYXOR commits to initiate dialogue and to collaborate with companies on the list and of which LYXOR is a shareholder, in order to make sure they implement an appropriate governance to the climate issue.

The first results of this engagement campaign will be available in our 2019 Engaged Shareholder report.

In 2018, the Socially Responsible Investments team of LYXOR also had the opportunity to discuss with 15 companies about broader issues than those addressed during general meetings.

As illustrated in the graph, governance issues remain a widely addressed topic since 60% of the covered themes concerned questions relative to board composition or organisation, and compensation policy implemented by the company.

Nonetheless, these discussions also allowed to deepen some questions that are as precise as, the consideration of sustainable development stakes throughout the value chain, the deployed strategy in order to reach climate targets, the diversity policy rolled out,…
In the long term, good corporate governance must result in an improvement in the company's performance. In order to do so, shareholder engagement is essential. By exercising its voting rights, LYXOR can contribute to improve the economic and financial performance of the companies in which it invests on behalf of its clients, with the aim of encouraging the adoption of best practices and mitigate the risk of business failure.

The 6 pillars of good corporate governance according to LYXOR

1. Protection of the long-term interests and rights of shareholders
2. Independence and diversity of board of directors
3. Balance of the financial structure of the company
4. Fair and transparent executives’ remuneration policy
5. Quality and integrity of financial information
6. Integration of corporate environmental and social responsibility
2. IMPLEMENTATION OF THE VOTING POLICY

2.1 Internal governance committee

An internal governance committee oversees the implementation of the LYXOR’s voting policy. This committee is composed of the following members:

- **Edouard Auché**
  General Secretary

- **Florent Deixonne**
  Head of Sustainable & Responsible Investments

- **Raphaël Dieterlin**
  Head of ETF & Index Product Strategy

- **Guillaume Lasserre**
  Chief Investment Officer

- **Marc Noël**
  Head of Legal Affairs

- **Philippe Rémy**
  Chief Compliance Officer

- **Déborah Siama Yomtob**
  Analyst Sustainable & Responsible Investments
2.2 Voting process

The Socially Responsible Investments team of LYXOR carries out a detailed analysis of the corporate governance of companies for which LYXOR will exercise its voting rights.

The composition of the board of directors, the separation of the functions of Chairman and Chief Executive Officer, the diversity policy, the compensation policy, the respect of shareholders’ rights are among other, topics analyzed by the team and discussed during engagement meetings.

Moreover, LYXOR uses the services of an external provider. This proxy advisor establishes analysis and provides voting recommendations.

LYXOR relies on these recommendations, but decides on the basis of its own voting policy and retains the final decision. After conducting a market survey of the different providers, LYXOR currently uses the services of ISS (Institutional Shareholder Services).

Where electronic vote is possible, voting is cast through a Proxy Exchange Platform on which LYXOR inputs its voting instructions.

In exceptional cases where electronic vote is not possible (notably for some French companies), proxy voting forms are filled out according to LYXOR’s voting policy and sent to the relevant issuers by post.

The formalization of voting decisions takes into account global corporate governance standards and local governance regulations and codes.
3. RESUME OF VOTES AT GENERAL MEETINGS

3.1 Voting context and scope

In 2018, LYXOR exercised its voting rights on the following scope:

- French Funds (Fonds Communs de Placement – FCP), French and Luxembourgish SICAV
- European issuers

From this section, the data presented are specific to the management company LYXOR Asset Management.

Under 2018, the voting scope included 2 funds and concerned 62 companies through 66 general meetings (comparatively to 54 companies and 59 general meetings in 2017).

Voting rights were exercised by correspondence or through Proxy Exchange Platforms.

Evolution of the voting scope between 2017 and 2018

+12%

Participation rate to general meetings*

96%

Geographical distribution of general meetings voted in 2018

* Rate restricted to the voting scope determined by the management company. The attendance rate at general meetings of LYXOR Asset Management on the whole general meetings held by issuers in voted funds, is 40% (on the basis of 164 general meetings), regarding the voting scope defined by LYXOR.

The reasons why some votes could not be exercised are mainly related to malfunctions in the chain of transmission of orders, and/or specific constraints such as blocking shares.
In 2018, LYXOR Asset Management objected or abstained at 13% of the voted proposals (as compared to 15% in 2017).
Opposition rate by country

* This high rate is due to a negative vote of 16 proposals on the basis of 37 submitted to vote at the 3 Belgian general meetings for which LYXOR Asset Management exercised its voting rights.

As illustrated in the above graph, the opposition rate varies from one country to another. At the front of countries where LYXOR Asset Management has been the most confrontational is Belgium, with an opposition rate of 43%. In the other countries where LYXOR Asset Management exercised its voting rights, the opposition rate fluctuates between 6 and 15%.

By giving an overview of the opposition rate compared to the number of general meetings in which LYXOR Asset Management opposed or abstained to at least one of the proposals (graph below), it can be noticed that 80% of general meetings in which LYXOR Asset Management opposed or abstained to at least one of the proposals concern French, German or Spanish companies.

In 2018, LYXOR Asset Management opposed to at least one proposal at 45 general meetings, that is to say 68% (vs. 47% in 2017) of the voted general meetings.
Details of general meetings concerned by at least one opposition from LYXOR Asset Management

<table>
<thead>
<tr>
<th>Company</th>
<th>GM’s Date</th>
<th>Number of opposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abertis Infraestructuras S.A</td>
<td>12-Mar</td>
<td>1</td>
</tr>
<tr>
<td>Accor</td>
<td>20-Apr</td>
<td>2</td>
</tr>
<tr>
<td>Acs, Actividades de Construccion y Servicios</td>
<td>07-May</td>
<td>4</td>
</tr>
<tr>
<td>adidas AG</td>
<td>09-May</td>
<td>8</td>
</tr>
<tr>
<td>Anheuser-Busch InBev SA</td>
<td>25-Apr</td>
<td>14</td>
</tr>
<tr>
<td>ArcelorMittal</td>
<td>09-May</td>
<td>2</td>
</tr>
<tr>
<td>Atos SE</td>
<td>24-May</td>
<td>1</td>
</tr>
<tr>
<td>Axa</td>
<td>25-Apr</td>
<td>1</td>
</tr>
<tr>
<td>BNP Paribas SA</td>
<td>24-May</td>
<td>2</td>
</tr>
<tr>
<td>Capgemini</td>
<td>23-May</td>
<td>2</td>
</tr>
<tr>
<td>Deutsche Boerse AG</td>
<td>16-May</td>
<td>2</td>
</tr>
<tr>
<td>Deutsche Telekom AG</td>
<td>17-May</td>
<td>2</td>
</tr>
<tr>
<td>E.ON SE</td>
<td>09-May</td>
<td>4</td>
</tr>
<tr>
<td>Enel SpA</td>
<td>24-May</td>
<td>2</td>
</tr>
<tr>
<td>Engie</td>
<td>18-May</td>
<td>6</td>
</tr>
<tr>
<td>Eni S.p.A.</td>
<td>10-May</td>
<td>1</td>
</tr>
<tr>
<td>Fresenius Medical Care AG &amp; Co. KGAA</td>
<td>17-May</td>
<td>2</td>
</tr>
<tr>
<td>Gas Natural SDG S.A</td>
<td>27-Jun</td>
<td>9</td>
</tr>
<tr>
<td>Iberdrola S.A.</td>
<td>13-Apr</td>
<td>1</td>
</tr>
<tr>
<td>KBC Group SA/NV</td>
<td>04-Oct</td>
<td>1</td>
</tr>
<tr>
<td>Kering</td>
<td>26-Apr</td>
<td>6</td>
</tr>
<tr>
<td>L’Oreal</td>
<td>17-Apr</td>
<td>2</td>
</tr>
<tr>
<td>Linde Aktiengesellschaft</td>
<td>03-May</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company</th>
<th>GM’s Date</th>
<th>Number of opposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>LVMH Moet Hennessy Louis Vuitton</td>
<td>12-Apr</td>
<td>8</td>
</tr>
<tr>
<td>Nokia Corp.</td>
<td>30-May</td>
<td>2</td>
</tr>
<tr>
<td>Orange</td>
<td>04-May</td>
<td>12</td>
</tr>
<tr>
<td>Pernod Ricard SA</td>
<td>21-Nov</td>
<td>8</td>
</tr>
<tr>
<td>Peugeot SA</td>
<td>24-Apr</td>
<td>14</td>
</tr>
<tr>
<td>Publicis Groupe</td>
<td>30-May</td>
<td>3</td>
</tr>
<tr>
<td>Renault</td>
<td>15-Jun</td>
<td>1</td>
</tr>
<tr>
<td>Repsol SA</td>
<td>10-May</td>
<td>1</td>
</tr>
<tr>
<td>Royal Philips NV</td>
<td>19-Oct</td>
<td>1</td>
</tr>
<tr>
<td>Safran</td>
<td>25-May</td>
<td>1</td>
</tr>
<tr>
<td>Sanofi</td>
<td>02-May</td>
<td>2</td>
</tr>
<tr>
<td>Schneider Electric SE</td>
<td>24-Apr</td>
<td>2</td>
</tr>
<tr>
<td>Siemens Gamesa Renewable Energy SA</td>
<td>23-Mar</td>
<td>1</td>
</tr>
<tr>
<td>Sodexo</td>
<td>23-Jan</td>
<td>7</td>
</tr>
<tr>
<td>Solvay SA</td>
<td>08-May</td>
<td>1</td>
</tr>
<tr>
<td>STMicroelectronics NV</td>
<td>31-May</td>
<td>3</td>
</tr>
<tr>
<td>Total SA</td>
<td>01-Jun</td>
<td>2</td>
</tr>
<tr>
<td>Unibail Rodamco SE</td>
<td>17-May</td>
<td>1</td>
</tr>
<tr>
<td>Unilever NV</td>
<td>03-May</td>
<td>2</td>
</tr>
<tr>
<td>Veolia Environnement</td>
<td>19-Apr</td>
<td>1</td>
</tr>
<tr>
<td>Vinci</td>
<td>17-Apr</td>
<td>2</td>
</tr>
<tr>
<td>Vivendi</td>
<td>19-Apr</td>
<td>8</td>
</tr>
</tbody>
</table>
3.2 Analysis of the opposition votes

Like the previous years, the main subjects of opposition for LYXOR Asset Management in 2018 were concentrated on certain topics, such as:

- The financial operations and anti-takeover mechanisms (82% of opposition),
- The executives’ compensation (20%),
- The composition and the remuneration of boards of directors or supervisory boards (14%).

Shareholders’ proposals will be presented in the following chapter.

## Distribution of oppositions from LYXOR Asset Management

<table>
<thead>
<tr>
<th>Area</th>
<th>Against or Abstain</th>
<th>For</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antitakeover Related</td>
<td>18%</td>
<td>82%</td>
</tr>
<tr>
<td>Compensation</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Directors Related</td>
<td>14%</td>
<td>86%</td>
</tr>
<tr>
<td>Routine/Business Reorganisations and Mergers</td>
<td>2%</td>
<td>98%</td>
</tr>
<tr>
<td>Capitalization</td>
<td>0%</td>
<td>92%</td>
</tr>
<tr>
<td>Shareholders Proposals</td>
<td>0%</td>
<td>91%</td>
</tr>
</tbody>
</table>

### Focus on financial operations

LYXOR supports a company’s entitlement to issue shares in order to raise capital, but directors should not be given unlimited discretion. Capital raising should be limited to what is necessary to maintain business operations and not lead to excessive dilution or cash-calls for existing shareholders.

Pre-emptive right is a fundamental shareholder right and when companies issue new shares, they should generally offer first these shares to existing shareholders. It is recognized though, that companies should also be granted some flexibility to issue shares without pre-emptive rights to address company’s financial needs.
Focus on executives’ compensation

Remuneration policies should be linked to the company’s strategy and the amounts granted should reflect the company’s performance. LYXOR votes on executives’ compensation-related items on a case-by-case basis, while taking into account global corporate governance best practice. In particular, LYXOR believes that a board of directors should abide by the following general principle:

- Provide shareholders with clear and comprehensive disclosure and justification of chosen remuneration structures and levels in a timely manner;
- Maintain appropriate pay-for-performance alignment with emphasis on long-term shareholder value;
- Include extra-financial criteria in line with the company’s sustainable strategy;
- Avoid arrangements that risk “pay for failure”;
- Maintain an independent and effective compensation committee.

Executives’ compensation should always include a long-term variable component with performance conditions. This performance should be measured over a long-term period (at least 3 years). Criteria used in long term incentive plans (LTIP) should be disclosed, detailed, stringent enough and additional to short-term variable remuneration.

Focus on boards composition and directors’ remuneration

The board of directors is the most powerful governing body of a company and should not pursue individual shareholders’ separate interests but act in the interests of all the company’s different constituencies. All actions taken by the board are expected to be governed by the principles of transparency, accountability, effectiveness and availability.

The primary objective of the board is to provide independent oversight and evaluation of management and to monitor the performance of the business in a way that promotes long-term sustainable growth of the company, while ensuring that appropriate risk management systems and controls are in place.

The following are the key principles that boards should respect according to LYXOR:

- independence
- diversity
- availability
- competence
3.3 Shareholders’ proposals

Shareholders’ proposals are proposals which are not submitted to vote by companies’ governance bodies (board of directors or supervisory board). Although these proposals remain not common, they are increasing and demonstrate a stronger shareholders’ engagement concerning companies’ governance.

In 2018, LYXOR Asset Management voted on 7 shareholders’ proposals submitted to 3 companies (excluding « list » proposals submitted to vote in Italy).

The Orange Actions savings plan’s mutual fund submitted 4 proposals, 3 relative to dividend (amount and method of payment) and one proposal relative to the multiple directorships of Orange’s board members. LYXOR estimated that the dividend proposed by the company was aligned with Orange’s results and its financial structure, and that a decrease of the amount of the dividend – as it was proposed by the Orange Actions saving plan’s mutual fund – was not in the interest of shareholders. As for multiple directorships, even if it is essential to assure board member’s availability, LYXOR estimated that limits set by the French Legislation were sufficient. These proposals received between 13 and 14% support.

Iberdrola, one shareholder of Siemens Gamesa Renewable Energy with 8% of the share’s capital, added to the agenda of the annual general meeting of the wind turbine manufacturer, two additional proposals. The first one required the board of directors to reinforce the company’s governance on the approval of related-party transactions’ and the protection of the minority shareholders. Considering the interests of such a demand for minority shareholders, LYXOR supported this proposal which obtained almost 23% of favorable votes.

The second proposal required the board of directors to take the necessary measures to maintain in Spain the Registered Office, the Operational Headquarters of the Parent Company of the Group and the Headquarters of the Onshore Business. As the proposal looks excessive and the absence of a demonstrated shareholder value creation, LYXOR did not support this proposal which registered 13% of favorable votes.

The Central Work Council of UES Amont submitted a proposal for the purpose of amending the bylaws regarding a new procedure for selecting the employee shareholder director. LYXOR estimated that the positive evolution of this amendment, which was not supported by TOTAL’s board of directors, could not be proven and thus, decided not to support the proposal, which received 6% of favorable votes.
3.4 Non compliant votes according to LYXOR’ voting policy

In 2018, LYXOR Asset Management deviated from the application of its voting policy in 4 cases:

**L’ORÉAL**

In order to support the renewal of a combined Chairman and Chief Executive Officer, LYXOR analyzes the level of independence of the board of directors and expects at least one third of the members to be independent for controlled companies and half of the members to be independent for uncontrolled companies. L’Oréal’s shareholding was modified a few weeks before its general meeting following the end of the shareholders’ agreement between the Bettencourt Meyers family and Nestlé. This modification resulted in a re-qualification of L’Oréal into an uncontrolled company. Thus, LYXOR supported the renewal of Mr. Jean-Paul Agon, Chairman and Chief Executive Officer of L’Oréal, despite a level of independence of the board of directors of less than 50% (40% at the time of the analysis), considering that the time between the end of the shareholders’ agreement and the general meeting was too short for a change of qualification.

**Pernod Ricard**

Concerning shares buyback programs, LYXOR verifies that authorizations may not be used during public offer period and thus, potentially be used as anti-takeover mechanisms. The board of director of Pernod Ricard has maintained in its proposal the potential used of the authorization during a public offer period. Following a dialogue with the company, this last one told LYXOR that this authorization is strictly restricted to its passed plans, notably for the free shares plans granted to executives and employees. In light of this clarification, LYXOR considered that the authorization could not be used as an anti-takeover mechanisms, and finally supported the proposal.

**Telefonica**

LYXOR attaches particular importance to the board of directors’ diversity (gender, nationality, skills, etc.) and may oppose the renewal of the chairman of the nomination committee if the proportion of women on the Board is less than 40%. Following a conversation with Telefonica, LYXOR decided to support the company in its positive dynamic since the proportion of women was increasing significantly over the three last years, and support the reelection of the chairman of the nomination committee despite a proportion of women inferior to 40%.

**Vinci**

When members of the board of directors or supervisory board are proposed for a reelection, LYXOR analyzes – when the information is disclosed – the attendance rate of the member. Indeed, LYXOR considers that a Board can only be effective if all of its members dedicate the necessary time. In the event of an attendance rate of less than 75% at Board’ meetings and committees’ meetings, LYXOR may oppose the renewal. At the general meeting of Vinci, LYXOR decided to support the renewal of a Board’ member, despite an attendance rate of less than 75% following a convincing explanation provided by the company.
3.5 Conflicts of interests management

In 2018, LYXOR Asset Management did not identify any conflicts of interests as part of the exercise of voting rights.

LYXOR Asset Management’ voting details are available on LYXOR’s website https://www.lyxor.com/en/socially-responsible-investment

Footnote

1 The dialogue policy has been implemented in the name of LYXOR Group without distinction of one or the other management companies (LYXOR Asset Management and LYXOR International Asset Management).

2 With the exception of vehicles using a synthetic method of replication in order to reproduce an financial exposure through a performance swap. Therefore, the return of these vehicles does not depend on the performance of actions owned. All dividends and profits are exchanged with a market counterpart.

3 In order to prevent the inherent excessive costs due to the voting process, LYXOR takes part at general meetings when the consolidated ownership stand for more than 0.1% of the company’s capital.