

GOVERNANCE AND VOTING POLICY

What we expect of public companies and how we carry out our ownership responsibilities

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BNP PARIBAS
ASSET MANAGEMENT

The asset manager
for a changing
world

1. INTRODUCTION

The present policy, as the case may be adapted to local regulation applies to BNP Paribas Asset Management Holding (BNPP AM Holding), as parent entity of BNP Paribas Asset Management (BNPP AM) the asset management business line of BNP Paribas Group and as such, as ultimate owner of the Corporate Governance and Responsible Investment policies of BNPP AM.

BNPP AM believes that promoting good corporate governance standards is an essential part of its ownership responsibilities. Corporate governance refers to the system by which a corporation is directed and controlled. It relates to the functioning of the managing board, supervision and control mechanisms, their inter-relationships and their relations with stakeholders. A good corporate governance creates the framework ensuring that a corporation is managed in the long-term interest of shareholders. Therefore BNPP AM expects all corporations in which we invest to comply with high corporate governance standards.

Voting at Assembly General Meetings is a key component of the ongoing dialogue with companies in which we invest on behalf of our clients and forms an integral part of BNPP AM's investment process. We are committed to ensure consistent¹ exercise of voting rights associated with shares held in Undertakings for the Collective Investment of Transferable Securities (UCITS), alternative investment funds (AIF), foreign investment funds and investment mandates, where proxy voting has been delegated to us.

The first section of this document outlines our key governance and proxy voting principles. The second section describes our proxy voting process. The final section is a set of guidelines that address key voting issues relating to: approval of accounts and management reports, financial operations, appointment and remuneration of directors and executives, and other types of resolutions.

By applying our voting guidelines, we take into account specific circumstances as they relate to individual companies such as geographic specificities due to regulatory differences or size of the companies². Our policy and guidelines are reviewed annually in order to reflect the evolution of corporate governance codes and market practices and approved by BNPP AM's Board of Directors.

This voting policy applies to BNPP AM and to all funds which delegates' proxy voting authority to BNPP AM. External investment managers to which we delegate portfolio management are required to have a proxy voting policy and should exercise voting rights in line with our expectations and market practices, and to report regularly on results achieved.

¹ Subject to technical and legal constraints

² Some specificity can occur for small-sized companies. The level of transparency or some principles that have been developed for larger companies might not be relevant and could result in negative aspects.

2. GOVERNANCE AND VOTING PRINCIPLES

These following principles describe the BNPP AM expectations of public companies in which we invest. As a responsible investor, we believe that Environmental, Social and Governance (ESG) issues may impact the value and reputation of entities in which we invest. We are therefore committed to incorporate ESG standards into our voting criteria to act in the long-term interests of our clients. These principles act as a guiding framework by which BNPP AM executes its ownership responsibilities through the exercise of proxy voting.

1. ACT IN THE LONG-TERM INTERESTS OF SHAREHOLDERS.

The overriding objective of companies should be the creation of a long-term shareholder value. Corporate governance practices should keep the board attention focused on this goal but also on the necessity to set up a clear strategy to achieve it, by taking into account all key stakeholders.

2. PROTECT SHAREHOLDERS' RIGHTS.

All shareholders should be given the opportunity to vote on all decisions concerning fundamental corporate changes. Companies should ensure that the rights of all investors are protected and should treat investors equitably, notably by respecting the principle of one share - one vote - one dividend. Capital increases should be carefully controlled to minimize dilution of existing shareholders. Anti-takeover devices should not be used.

3. ENSURE INDEPENDENT AND EFFICIENT BOARD STRUCTURE.

The board and its committees should include a strong presence of independent directors to allow an efficient oversight of the management. In addition, the directors should have sufficient qualification and involvement to improve the board's efficiency. Formal evaluation of the board, executive sessions and succession plan are in place. Finally, the directors should be selected so that the board reflects appropriate diversity.

4. ALIGN INCENTIVE STRUCTURES WITH LONG-TERM INTERESTS OF STAKEHOLDERS.

Compensation structures should be aligned with the long-term performance of the company. Whilst compensation programs should not restrict the company's ability to attract and retain talented executives, they should respect best market practices and be disclosed to shareholders in a clear and thorough way.

5. DISCLOSE ACCURATE, ADEQUATE, AND TIMELY INFORMATION.

Companies should ensure that timely and accurate disclosure is made on financial and operating results, ownership issues, and performance on key environmental, social, and governance issues. Annual audits of the financial statements carried out on behalf of shareholders by independent external auditors should be required for all companies.

6. ENSURE GOOD ENVIRONMENTAL AND SOCIAL PERFORMANCE.

The companies are expected to act responsibly to all stakeholders and to meet corporate governance, environmental and social standards to protect stakeholders' long-term interests. Companies should provide full disclosure on their carbon emission and their commitment to combat climate change

3. PROXY VOTING APPROACH

3.1 CLIENT APPROACH

BNPP AM advises its clients to delegate proxy voting authority to BNPP AM in order to safeguard their shareholder interests. BNPP AM shall vote the proxies of its clients solely in the interest of its clients and the ultimate beneficiaries of the funds for which they are responsible. BNPP AM shall not subordinate the interests of its clients to unrelated objectives.

For clients that delegated proxy authority to BNPP AM, BNPP AM will make every reasonable effort to ensure that proxies are received and voted in accordance with the proxy voting guidelines. All BNPP AM clients are informed that this policy and proxy voting procedures are in place.

While proxy voting providers are used to help us with the analysis of general meetings, BNPP AM will take each voting decision for every general meeting internally with no outsourcing to serve its clients' best interests.

3.2 THE PROXY VOTING COMMITTEE

BNPP AM appointed a Proxy Voting Committee (PVC) that is empowered to establish voting guidelines and is responsible to ensure that these guidelines and procedures are followed. This committee is composed of members of the management and compliance teams. As proxy voting is considered as an integral part of the investment process, the final responsibility for proxy voting lies with the Chief Investment Officer (CIO).

3.3 VOTING SCOPE

Voting rights are exercised on equities for mutual funds, UCITS, AIF, foreign investment funds, mandates and for Employee Investment Funds for which voting rights are delegated to BNPP AM.

We do not vote on 100% of our holdings as it would imply:

- An increase of the costs of proxy voting for clients³; and
- A need to outsource a greater value added part of the voting activity, which would reduce the qualitative and committed aspects of our voting process.

The choices of the shares for which we exercise the voting rights aims at both concentrating our efforts on positions held in a wide proportion in our assets under management, and participating efficiently and effectively to shareholders' meetings of companies in which our collective investment schemes hold a significant part of the capital.

Our voting scope is made of companies for which aggregated positions meet one of the three following conditions⁴:

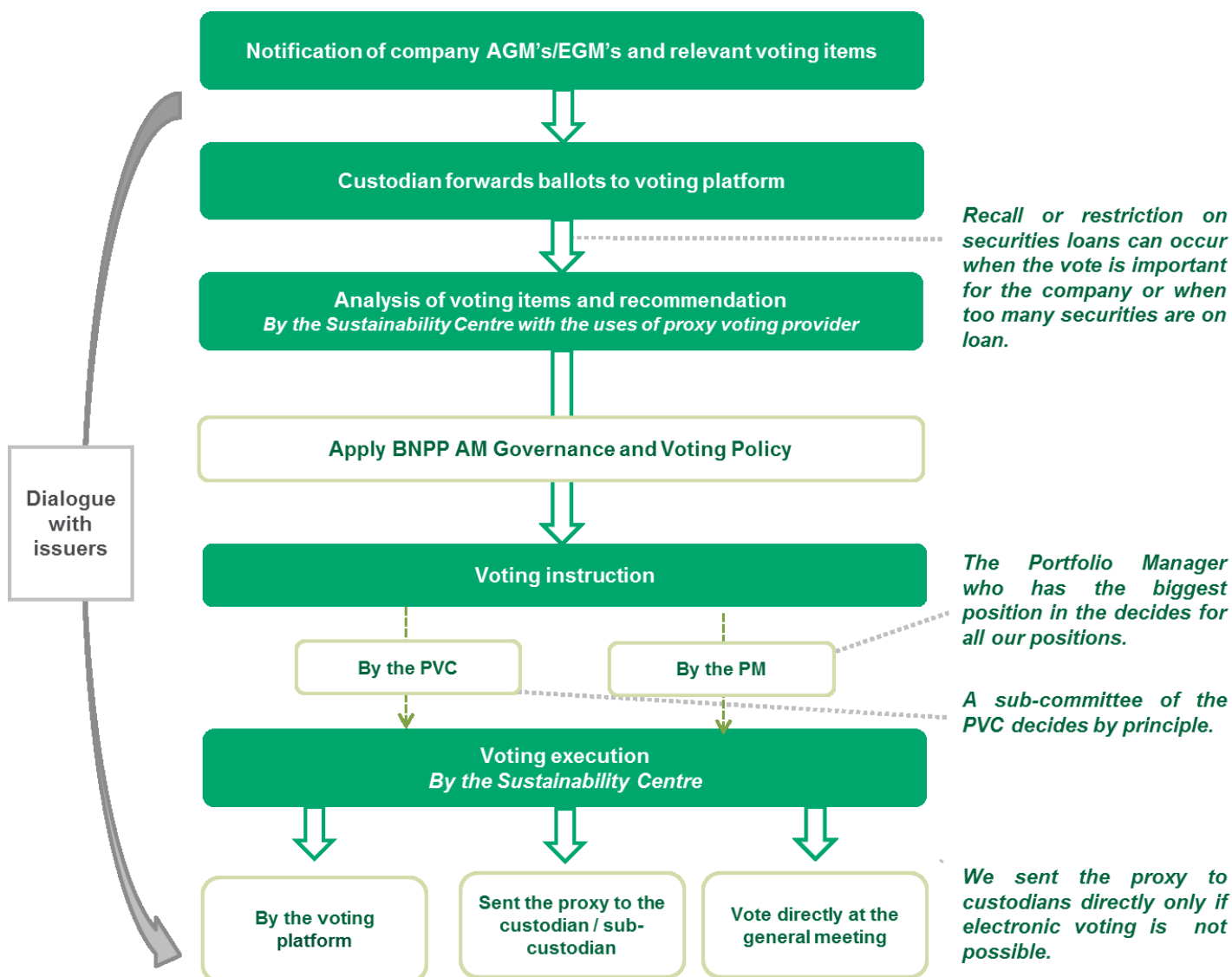
- Represent 90% of accrued total of our stock positions
- Consist in 1% or more of the company market capitalization
- Ad hoc demand

³ Custodian and proxy voting providers costs

⁴ We will not include a company in our voting perimeter if the cost related to proxy voting is too important (i.e. if a Power of Attorney is needed per AGM or per funds; if our custodian doesn't offer the proxy voting services in the country...)

3.4 PROXY VOTING PROCESS

The following points outline the key steps of the proxy voting process from the notification of voting agendas in the context of Annual General Meetings (AGM) or Extraordinary General Meetings (EGM) to actual voting execution:



3.5 ENGAGEMENT WITH COMPANIES

Engagement with issuers, linked to the voting activity, aims at enhancing the long-term value of our shareholdings and to foster corporate governance best practices, social responsibility and environmental stewardship.

The process of dialogue with companies can be engaged on our own initiative or on the request of the issuer, and is concentrated on our main positions in terms of assets or where we hold a significant portion of the share capital. It is mainly done during a general meeting with important governance or financial stakes.

The dialogue is done systematically with companies invested by our active managers and included in the main French index (CAC 40) or if we are an important shareholder.

Our preference is to engage directly with independent directors (chairman of the board or a committee, lead independent director). If it is not possible, we hold meetings with the secretary of the board, Investor Relation, or Responsible Investment team.

The goals of our engagement are:

Outside general meeting season:

- Promote a constant dialogue with companies covering various topics such as strategy, long-term performance, risk management, Governance, Environmental and Social issues or any other emerging concern which may affect company's value.
- Communicate our voting policy to promote good corporate governance and to prepare the next general meeting of the issuer and

During general meeting season:

- Obtain additional information on voting proposals, notably where they seem to depart from best governance practice.
- Express our concerns about specific resolutions in contradiction with our voting policy

Depending on specific circumstances, the dialogue may lead to a modification or withdrawal of resolutions from the issuer before the general meetings, or additional information that prompted a change of vote.

BNPP AM's Corporate Governance team performs annually an assessment of its effectiveness in its voting and engagement policy.

Finally, BNPP AM often takes part in collective initiatives and working groups⁵ in order to understand markets evolution on corporate governance and influence and promote its vision of good governance in companies.

⁵ Example: the Company is an active member of the International Corporate Governance Network (ICGN), or of the "Corporate Governance committee" of the French Association of asset managers (AFG)...

3.6 CONFLICT OF INTEREST

As an asset manager owned by a large financial institution, BNPP AM Holding can sometimes be faced with potential conflicts between its clients' interests on one hand and those of BNPP AM on the other, given specific circumstances:

- Employees being linked personally or professionally with a company whose securities are submitted to vote.
- Business relations existing between the company whose shares are being voted on and another company of BNP Paribas Group.
- Exercise of voting rights concerning shares of BNP Paribas Group or of significant participations or holdings of the Group.

BNPP AM implemented several principles, mechanisms, and decision process, to prevent conflicts of interest from happening, such as:

- BNPP AM Voting Policy stresses that voting rights are exercised “in the best interests of clients in order to protect and enhance the long-term value of their shareholdings”.
- The detailed Voting Policy and Guidelines document which determine the decision process for the exercise of voting rights is approved by Board of Directors' level, which comprises independent director(s).
- Resolutions submitted to vote are examined on the basis of analyses conducted by external and independent consultants.
- Employees are due to respect the gifts and entertainments policy and to declare any other professional activity to the Compliance Officer.
- “Chinese walls” between BNPP AM's entities and the other companies of the BNPP Group ensure that the staff of BNPP AM entities remains independent and neutral in its missions and responsibilities.

Records of all potential conflicts of interest and their resolution are kept as part of the PVC minutes.

Conflicts of interest that could not be prevented are solved through an escalation procedure involving top management, that is to say:

- The CIO
- The Compliance Officer and senior managers of other Control Functions involved.
- The CEO

At each level, the “best interest of clients” principle is paramount in the decision outcome.

When a conflict of interest is identified, it is duly disclosed to the concerned clients where and as applicable laws so require.

3.7 ESCALATION

BNPP AM preference is to engage directly companies as we believe it better serves the long-term interests of our clients to establish relationships, and a reputation, with companies that enhances rather than hinders dialogue.

However, when the interests of our clients should be protected and enhanced and when a step-up of monitoring activity is required to ensure protection and enhancement of shareholder value, BNPP AM can decide to: make public statements, propose shareholder resolutions, call an extraordinary general meeting or intervene jointly with other institutions.

The decision is taken on a case by case basis, to ensure that our concerns have been properly heard and dealt with.

For example, BNPP AM has been co-filers of the Aiming for A proposals on the mining sectors in 2016, at Exxon-Mobil in 2017 and announced publicly ahead from the general meeting our support on Aiming for A proposal.

3.8 COLLECTIVE ACTION

When collective action is likely to enhance our ability to engage with a company, and it is permitted by law and regulation, BNPP AM will work with other investment firms depending on the issue of concern and the alignment of view amongst the investor group.

To that end, BNPP AM is an active member formal groups and initiatives internationally that facilitate communication between shareholders and companies on corporate governance and social, ethical and environmental matters. We will also engage collectively on matters of public policy. These organizations include the PRI (the United Nations-supported Principles for Responsible Investment), the IIGCC (International Investors Group on Climate Change) or the ICGN (International Corporate Governance Network).

BNPP AM has a collective action process, which reviews systematically the cases where a collective action could be initiated to protect the value of our investors' assets.

Decisions to join such actions are supervised by a dedicated committee which comprises notably BNPP AM's CEO and the head of Compliance.

3.9 TRANSPARENCY & REPORTING

BNPP AM is committed to transparency with regards to its proxy voting approach and execution. A copy of this policy can be accessed on the website of BNPP AM.

An annual 'Update Report' is published providing an overview of proxy voting activities and engagement.

Quarterly reports, on voting activities and engagement results, are sent to clients who requested it.

Lastly, voting records of individual agenda items at company meetings can be obtained on client's request and will be made available publicly during 2018 year.

4. VOTING GUIDELINES

The guideline provides detailed information on how BNPP AM will vote on the most common proxy voting items. They address key voting issues which can be grouped in four themes:

1. Reports and approval of accounts
2. Financial operations
3. Appointments and remuneration of directors and executives
4. Other relevant issues (e.g. related-party transactions).

For each issue, these guidelines highlight criteria that reflect or tend towards best practices and that we actively support, as well as issues that may trigger an “against” or “abstain” vote. Those criteria tend to have an important impact on the voting decision but do not automatically imply an “against” or “abstain” vote as we take into account specific circumstances when they involve individual companies.

Voting decisions are based on the following considerations:

- *For*: The proposed resolution reflects good practice and is in the stakeholders’ long-term interest
- *Abstain*: The proposal raises issues of concern for shareholders or lacks sufficient information
- *Against*: The proposal is not acceptable and is not in the shareholders’ long-term interest

The following guidelines describe the factors that affect our voting decisions according to the key voting items.

4.1 REPORTS AND ACCOUNTS

Voting issue	For	Abstain	Against
Financial Statements / Director and Auditor Reports	<ul style="list-style-type: none"> Information provided by the Board presents a full and fair view of company affairs and financial situation, at least 21 days before the AGM. The accounts have been recommended by an independent⁶ audit committee. The company provides adequate disclosures on key financial and extra-financial risks. 	<ul style="list-style-type: none"> The accounts are not available at the cut-off date for proxy vote The company does not provide adequate disclosure on environmental and social issues either in its annual report or elsewhere The company does not report properly on their carbon footprint (scope 1 and 2), and does not communicate nor does it want to engage in relation to its business strategy to mitigate and adapt to climate change. The company is at risk of breaching the UN Global Compact Principles⁷. 	<ul style="list-style-type: none"> The statutory auditors express reservations or refuse to certify the accounts after having discovered serious irregularities. The Board has not set up an audit committee (to be reviewed on a case-by-case basis for smaller companies and market practice)⁸.
Discharge of Board and Management	<ul style="list-style-type: none"> There is no contentious issue about the board or the management of the company. 	<ul style="list-style-type: none"> There are serious questions about actions of the board or management for the year in question. Legal action is being taken against the board by other shareholders. The auditors made serious reservations about the financial statements or refused to certify the accounts. 	

⁶ The audit committee is composed of at least 50% independent members, does not comprise an executive director, and its members have financial competence

⁷ The 10 principles for Responsible Investment are available on the website www.unpri.org

⁸ Market capitalization under 1 billion euro

Voting issue	For	Abstain	Against
Allocation of Income	<ul style="list-style-type: none"> A sustainable dividend is a dividend with reasonable pay-out ratio (Between 25 and 100%) that does not undermine the capacity to invest for the company, and does not affect the remuneration of other stakeholders. The company has provided sufficient information to indicate the level of dividend. In case of payment of the dividend in shares, the shareholder has the possibility to be paid in cash. 	<ul style="list-style-type: none"> The payout ratio is lower or excessively higher compare to last year and the company has failed to provide an explanation for this modification (to be reviewed on a case-by-case basis for growth companies which usually need to conserve more cash than mature companies). The mark-up of the preferred dividend is more than 10% of the regular dividend. The payout ratio is excessive: If the company has a ratio above 100% for two consecutive years or the level could compromise the long strategy of the company. The company does not have a sustainable dividend in place. 	
Appointment of Auditors and Approval of Audit Fees	<ul style="list-style-type: none"> The auditors have been recommended by an independent audit committee⁹. The audit committee has disclosed its policy for the provision of non-audit services by the auditors (e.g. excluded services and pre-approval works). There is full disclosure of audit fees and advisory fees. The auditors do not provide advisory services. Otherwise, the remuneration for advisory services does not cast doubt on the auditor's independence. There is a mandatory rotation of the auditors after no more than 15 years, with a clear water period of at least 5 years before the auditor can be re-appointed. 	<ul style="list-style-type: none"> Advisory or audit fees are not disclosed. The remuneration for advisory fees is equal to the remuneration for audit fees, underlying thus a potential conflict of interest. 	<ul style="list-style-type: none"> The Board has not set up an audit committee. For smaller companies, in the absence of an audit committee, if at least one executive sits within the board. There are potential concerns regarding the independence of the auditors, such as: <ul style="list-style-type: none"> Advisory fees exceeding the audit fees Appointments exceeding a 6-year mandate There is reason to believe that the independent auditor gave an opinion that is neither accurate nor indicative of the company's financial position.

⁹ The audit committee is composed of at least 50% independent members, does not comprise an executive director, and its members have financial competence

4.2 FINANCIAL OPERATIONS

Voting issue	For	Abstain	Against
Authority to issue shares or securities giving access to the capital	<ul style="list-style-type: none"> The authority respects the “one share – one vote – one dividend” principle. The authority is suitably justified and limited, in amount and duration (two years). The authority includes pre-emptive rights (or otherwise priority rights of at least 5 days), does not create significant imbalances between the different categories of shareholders, and avoid the dilution risk for current shareholders. 	<ul style="list-style-type: none"> The authorization respects our limits. But all share issue authorities exceed 50% of the issued share capital¹⁰. 	<ul style="list-style-type: none"> The authority with pre-emptive rights exceeds 50% of issued share capital (to be reviewed on a case by case basis¹⁰). The authority without pre-emptive rights and with priority rights or with a specific object¹¹ exceeds 20% of issued share capital. The authority without pre-emptive rights and without priority rights exceeds 5% of issued share capital (to be reviewed on a case by case basis¹⁰). The authority is likely to be used as an anti-take-over measure.
Share Repurchase Plan	<ul style="list-style-type: none"> Share repurchase represents best use of company resources and is limited both in volume and duration, the discount is limited and the authorization does not exceed 18 months. 	<ul style="list-style-type: none"> The maximum upward and downward deviation exceeds 5% of the average market price over a representative period or 10% if the resolution refers to a day price. 	<ul style="list-style-type: none"> The share repurchase plan meet at least ONE of the following conditions: <ul style="list-style-type: none"> The authorization would be executable during a takeover period. The buyback exceeds 10% of the issued capital.¹² Possibility to reissue shares buy-back exceeds 5% of the issued capital. Use of Financial derivatives for share repurchases. There is no limit on the possible discount
Share issues reserved to employees	<ul style="list-style-type: none"> The authority to issue share does not create significant imbalances between categories of shareholders. 	<ul style="list-style-type: none"> Cumulative volume exceeds 10% of issued capital AND discount over 10% (to be reviewed on a case by case basis¹⁰). 	

¹⁰ Exceptions from these guidelines may be granted if the board can give a compelling justification for an increase in excess of the guidelines (e.g. For instance for the financial services in light of the regulatory capital ratio requirement).

¹¹ Share capital increase with a specific object can be operation limited to external growth, or convertible bonds increase...

¹² Including shares held by subsidiaries. We applied a limit of 15% for UK due to the local code.

Voting issue	For	Abstain	Against
Debt restructuring	<ul style="list-style-type: none"> The level of dilution given the full conversion of securities is not excessive. 	<ul style="list-style-type: none"> Dilution risk too high for the ownership interests of existing shareholders and to future earnings. The proposal would result in a change of control at the company. Threat of bankruptcy, potential impact on the shareholder value and if a bankruptcy is the main factor driving the restructuring. 	
Mergers and Acquisitions	<ul style="list-style-type: none"> The merger or acquisition makes commercial and strategic sense for the company. The proposal is beneficial to shareholders' and the impact on voting rights is not disproportionate. The combined company has a better governance structure. The operation concerns a subsidiary and is considered as an internal restructuring. 	<p>Given the complex nature of most merger and acquisition proposals, such issues will be reviewed on a case by case basis from a transparency, corporate governance as well as a financial point of view. The limits concerning capital increases¹³ will not apply on merger cases. Issues that will be taken into account include:</p> <ul style="list-style-type: none"> The impact of the merger on shareholder value The offer price i.e., cost vs. premium Financial viability of the combined companies as a single entity An analysis of the arm's length nature of the transaction, potential conflicts of interest and an assessment of the deal maker's "good faith" The presence or lack of a fairness opinion Proposed changes in corporate governance and their impact on shareholder rights Impact on community stakeholders and employees in both workforces 	
Corporate Restructuring	<ul style="list-style-type: none"> No conflicts of interest among the various parties. A shareholder vote on important corporate restructuring. The restructuring does not create significant imbalances between categories of shareholders. Shareholder value is being preserved. 	<p>Votes concerning corporate restructuring are considered non-routine and evaluated on a case by case basis. Issues that will be taken into account include:</p> <p><u>Spin-offs</u></p> <ul style="list-style-type: none"> Potential tax and regulatory advantages Planned use of proceeds Market focus and managerial incentives <p><u>Asset Sales</u></p> <ul style="list-style-type: none"> Impact on the balance sheet and working capital Value received for the asset and the potential elimination of diseconomies <p><u>Liquidations</u></p> <ul style="list-style-type: none"> Management's efforts to pursue other alternatives Appraisal value of the assets The compensation plan for executives managing the liquidation 	

¹³ See previous page

4.3 APPOINTMENTS OF DIRECTORS AND EXECUTIVES

Voting issue	For	Abstain	Against
Board elections	<ul style="list-style-type: none"> The Board of Directors (or Supervisory Board) is independent from management and represents the interests of majority and minority shareholders. Specialized committees are composed of a majority of independent members with an independent Chairman (The audit and the remuneration committees do not comprise an executive director) Candidates are proposed by an independent nomination committee. We are in favour of annual votes or a maximum of 4 years mandates The board size is composed of less than 18 members. The Chairman and CEO roles are split and/or there is a sufficient counter-balancing structure with the presence of a Lead Independent Director. The dialogue exists between the board (independent members) and its investors. Non-executive directors have less than five director mandates or three director mandates for executive directors. There is sufficient biographical information for shareholders to vote on an informed basis. Shareholders can vote separately on the election of individual directors. 	<ul style="list-style-type: none"> The candidate is not independent¹⁴ and: <ul style="list-style-type: none"> the board comprises less than 50% independent directors excluding employees representatives (for non-controlled companies) the board comprises less than 33% independent directors including employees representatives (for controlled companies or in cases of a board with at least 50 percent of compulsory employee representatives) A different threshold can be applied depending on local code and markets practices (with a minimum of 33%) The director had a very low level of attendance without any satisfactory justification (below 75%). The company does not report properly on their carbon footprint (scope 1 and 2), and does not communicate nor does it want to engage in relation to its business strategy to mitigate and adapt to climate change, The director failed to meet her/his fiduciary duties which raise doubts about her/his ability to serve the best interests of stakeholders¹⁵. The censor is not independent and: <ul style="list-style-type: none"> The level of independence on the board (including the censors) are not in line with our guidelines, or The company does not justify the interest of having a censor. 	

¹⁴ Factors that may compromise independence include :

- To represent a significant shareholder or to be related by close family ties to a corporate officer
- To be an employee or corporate officer of the corporation, or an employee or director of its parent or a company that it consolidates, and not having been in such a position for the previous five years
- To be a chief executive officer of a company (B) if one of the following requirements is complied: The concerned company (A) is a legal entity directly or not directly director in the company (B); An employee of the company A is a director of the company B (currently or less than 5 years); An executive of the company A is a director of the company B (currently or less than 5 years);
- To be a customer, supplier, investment banker or commercial banker that is material for the corporation or its group, or a significant part of whose business the corporation or its group accounts, or to have been an auditor of the corporation within the previous five years
- To have been a director of the corporation for more than 12 years or stricter depending on local code.

¹⁵ For example, the Company did not respond to a shareholder votes last year (rejected or a resolutions with significant shareholder dissent), or by-laws contains unfriendly restrictions on shareholders' rights.

4.4 COMPENSATION PRACTICES

Voting issue	For	Abstain	Against
Remuneration policy	<ul style="list-style-type: none"> • The company must present a transparent, exhaustive and clear overview of its compensation practices. • The company explains the philosophy of its remuneration policy, the link with strategy and human resource policy. • The policy explains the amount, the split, and the evolution between the different remuneration components chosen. • The remuneration schemes are in line with the long-term company performance (e.g. the remuneration committee has considered the impact of share repurchases undertaken during the previous year on relevant performance targets for incentive schemes). • The remuneration scheme has been recommended by a remuneration committee composed of at least 50% independent members and does not comprise any executive director. • The company has a long-term remuneration policy in place, including extra-financial performance metrics. • The compensation policy includes stock ownership and clawback guidelines for executives. 	<ul style="list-style-type: none"> • The remuneration policy is unclear or lacks transparency in order for shareholders to have an appropriate opinion upon it. • The remuneration scheme is disproportionate with regards to the evolution of its employees' median remuneration and relevant peer group. • The remuneration scheme is misaligned with regards to performance (e.g. based on share value and/or intrinsic value). The compensation scheme allows a pay-for-failure approach or is not long-term oriented. • If one or few significant elements of the remuneration are not in line with our guidelines below (to be reviewed on a case by case basis depending on the global company's policy and in light with the company's trend regarding transparency and practices). 	

Voting issue		For	Abstain	Against
Remuneration of the executives directors and top executives	Short-Term remuneration (Fixed and bonus)	<ul style="list-style-type: none"> The company indicates the rules to establish the base salary and its evolution. It needs to be justified and reasonable. The bonus is linked to transparent, pertinent and challenging criteria, relevant to the company business and strategy. The company discloses performance criteria, their weights and performance targets in absolute. The bonus is limited to a certain percentage of the fixed remuneration. Non-quantifiable part of the bonus is absent or limited 	<ul style="list-style-type: none"> The company significantly increased the base salary or bonus cap of an executive without satisfactory explanations or not justified with regards to performance. The bonus does not have a cap The bonus is not linked to transparent, pertinent or challenging criteria The nature and weightings for each performance criteria are not disclosed The actual level of fulfilment of each performance criteria is not disclosed in absolute (or, otherwise in relative). 	
	Long-Term incentives plan (Free shares, Stock-options)	<ul style="list-style-type: none"> The plan must be understandable for shareholders, with specific and quantitative pre-established criteria and targets for future plans, and a vesting and performance period of at least 5 years. The company disclosed a cap, performance criteria, their weights and performance targets in absolute. The authorities for executive directors are separated from those for employees. Otherwise, the stock options and the free shares allotted to executive directors are limited explicitly. The volume of the granted additional compensation is reasonable and in line with market practices The company has the possibility to recover partially or entirely a past plan following special circumstances such a restatement of the accounts (Clawback policy) 	<p>The plan meets at least ONE of the following conditions¹⁶:</p> <ul style="list-style-type: none"> Cumulative volume of proposed and outstanding stock option plans and free shares exceeds 10% of issued capital including 3% maximum for corporate officers¹⁷. Volume of stock option plans per year exceeds 2.5% of issued capital¹⁷. Free shares distribution per year exceeds 1% of issued capital¹⁷. Significant increase without satisfactory explanations or not justified with regards to performance Grants of stock options and free shares are not linked integrally to the achievement of transparent, pertinent or challenging performance criteria¹⁸. Possibility to re-test exercising conditions. Existence of a discount for executives on stock-options. Sum of vesting and holding periods or performance period less than 3 years (For stock option and free shares). The actual level of fulfilment of each performance criteria is not disclosed in absolute (or otherwise, in relative) <p>NB. The proposed resolution is assessed in light of the existence and degree of independence of the remuneration committee.</p>	

¹⁶ To be reviewed on a case by case for different geographic zones in which such conditions may not be a market practices

¹⁷ To be reviewed on a case by case basis depending on historic burn rate and on market practices.

¹⁸ For example if the company set objectives that are far below markets announcement.

Voting issue		For	Abstain	Against
Remuneration of the executives directors and top executives	Exceptional remuneration	<ul style="list-style-type: none"> The additional pension schemes respect the following principles: the beneficiary has a significant seniority within the group; is employed with the company at the time of retirement; his rights may only account for a reasonable limited percentage of the compensation; the period taken into account for the calculation covers several years; the group of potential beneficiaries must be broader than the sole executive. No severance payment. Otherwise, the amount is reasonable, limited, and will only be given in case of a constraint departure. No exceptional remuneration. Otherwise, conditions and maximum level of award are well described and linked to performance criteria. 	<ul style="list-style-type: none"> The termination payments for executive directors or the Chairman of the Board may not exceed two years of both annual fixed and variable compensation (stock options and other compensations excluded)¹⁹. The termination payments are not conditional on seniority criteria or with explicit performance requirements. The combination of a severance payment (or a non-compete clause) with an additional pension scheme. The post-mandate exercise of unvested stock-based plans or an indemnity compensating for his loss of the right to exercise the stock-based plans. The severance payment can be given in case of resignation. Exceptional remuneration is granted without any compelling explanation or not linked to performance conditions. 	
Remuneration of the non-executives directors		<ul style="list-style-type: none"> Linked to the attendance of directors to the board and committees, and to the importance of carried out missions, and in line with benchmarks (based on country practices) Full disclosure of all remuneration components for each director serving on the board. The different elements constituting the pay need to be identified and their respective policies explained. The pay should be transparent enough for shareholders to allow them to distinguish the remuneration of executives from that of non-executive directors. 	<ul style="list-style-type: none"> Not linked to attendance The individual amounts are not communicated (To be reviewed on a case by case basis depending on market and companies practices²⁰) 	<ul style="list-style-type: none"> Not linked to attendance and deemed excessive The global and/or individual amount are not communicated (To be reviewed on a case by case basis depending on market and companies practices²¹)
Employee's remuneration		For the other beneficiaries of the plan (excluding the top executives), the principles are less strict (especially regarding the performance criteria) and analysed in light with the global condition of the plan.		

¹⁹ Case by case basis based on market practice (e.g. one year in UK and Netherlands. This limit is not applied in North America where we take into account the global volume and other elements...)

²⁰ If the individual amounts are not communicated, votes abstain if the market practices are not to communicate such information.

²¹ If the individual amounts are not communicated, a vote against if the market practices are to communicate the individual amount.

4.5 OTHER VOTING ISSUES

Voting issue	For	Abstain	Against
Changes to Company Statutes	<ul style="list-style-type: none"> By-laws that respect the “one share – one vote – one dividend” principle. 	<ul style="list-style-type: none"> Resolutions that carry adverse impacts on shareholder rights (To be considered on a case-by-case basis in light of information provided by the company) Multiple Voting Shares or non-Voting Depository Receipts Ownership ceiling or voting right ceiling Priority shares Golden share Statutory disclosure thresholds below 5 percent of the issued capital Reduce the delay of declaration for the crossing thresholds. 	
Related-party Transactions and other Resolutions	<ul style="list-style-type: none"> There is full disclosure of information relevant to the resolution and such information is presented in a fair and balanced way 	<ul style="list-style-type: none"> Insufficient disclosure of relevant information The related-party transactions include elements which may be contrary to our remuneration policy (see above). 	<ul style="list-style-type: none"> Resolutions bundled together that include a substantial and unacceptable proposal Blind resolutions The related-party transactions include elements which may be contrary to our remuneration policy (see above).
Shareholder proposals ²²	<ul style="list-style-type: none"> Appropriate for general assembly and in line with stakeholders’ long-term interests. Shareholder proposal is in line with our voting guidelines Resolutions introduce or facilitate legal proceedings to compensate shareholders for damage suffered by the company, Resolutions that help to improve social and environmental performance while contributing to the protection of stakeholders’ long-term interests. Resolutions in line with our climate change policy (e.g. carbon disclosure, or business strategy in alignment with a 2°C world). 	<ul style="list-style-type: none"> If the proposal is in line with stakeholders’ long-term interests but not on its application and/or if it is already applied by the company. 	<ul style="list-style-type: none"> Shareholder proposal is not in line with our guidelines Shareholder proposal is not in line with stakeholders’ long-term interests Shareholder proposal is not appropriate to the general meeting competence.

Any Other Voting Items: Any item that is not covered by these guidelines will be voted on a case by case basis taking into account the BNPP AM key proxy voting principles.

²² Shareholder proposal are considered on a case-by-case basis in light of the justification by its authors and board support or justification of opposition.

DISCLAIMER

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