



# REPORT ON THE EXERCISE OF VOTING RIGHTS IN 2018

FEBRUARY 2019



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*Completed to be written on February 8, 2019.*

In the framework of its responsible investor policy, ODDO BHF Asset Management SAS considers that the exercise of voting rights is an integral part of its responsibility as a shareholder. Its attendance of annual general meetings ensures that companies, through their strategy, risk management and governance, create long-term value, a source of performance for their shareholders.



## Reminder of the principles of the voting policy

To determine its votes, ODDO BHF Asset Management SAS uses the “Recommendations on Corporate Governance” drawn up by the AFG (French investment management association), of which it is a member, and the Afep-Medef code, and takes into consideration its commitments as a signatory to the PRI (United Nations Principles for Responsible Investment) regarding environmental, social and governance criteria.

As a general rule, ODDO BHF Asset Management SAS votes above a holding threshold of 0.25% of the equity capital of European companies held jointly by all its portfolios, and systematically for all companies in portfolios incorporating ESG criteria in the investment process.

On the basis of its voting principles, ODDO BHF Asset Management SAS uses the services of an external provider, ISS, to analyse resolutions and the outcome of votes. ISS’ recommendations are submitted to fund management teams, who take the final voting decision.

Lastly, a committee has been created to manage any conflicts of interest. It is chaired by the Compliance and Internal Control Officer of ODDO BHF Asset Management SAS and comprises the company’s co-CIO and the ODDO BHF Group’s Investment Services Compliance Officer.

## Exercice of voting rights in 2018

In accordance with the provisions of articles 319-22 and 321-133 of the General Regulation of the French financial markets authority (AMF), ODDO BHF Asset Management SAS sets out in this report the conditions in which it exercised its voting rights in 2018 at the AGMs of companies held by portfolios it manages.

### 1. General voting statistics

#### *Votes at AGMs*

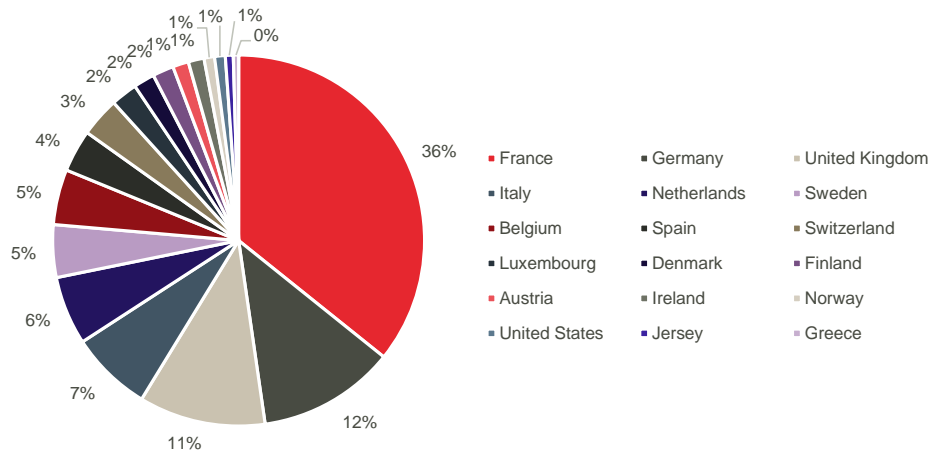
In 2018, ODDO BHF Asset Management SAS voted at the AGMs of **436 listed European companies**, representing 7,013 resolutions. The number of companies in which ODDO BHF Asset Management SAS had voting rights and for which it could have exercised its rights over this period was 452. Consequently, its participation rate at the AGMs of portfolio companies was 96.5%.

From a geographical perspective, France represented 36% of AGMs voted at in 2018, ahead of Germany (12%) and the UK (11%).

The participation rate was 100% in all countries where ODDO BHF Asset Management SAS voted at AGMs, with the exception of France (97.5%), Spain (94.1%), Sweden (90.9%), Luxembourg (71.4%) and Ireland (54.6%).

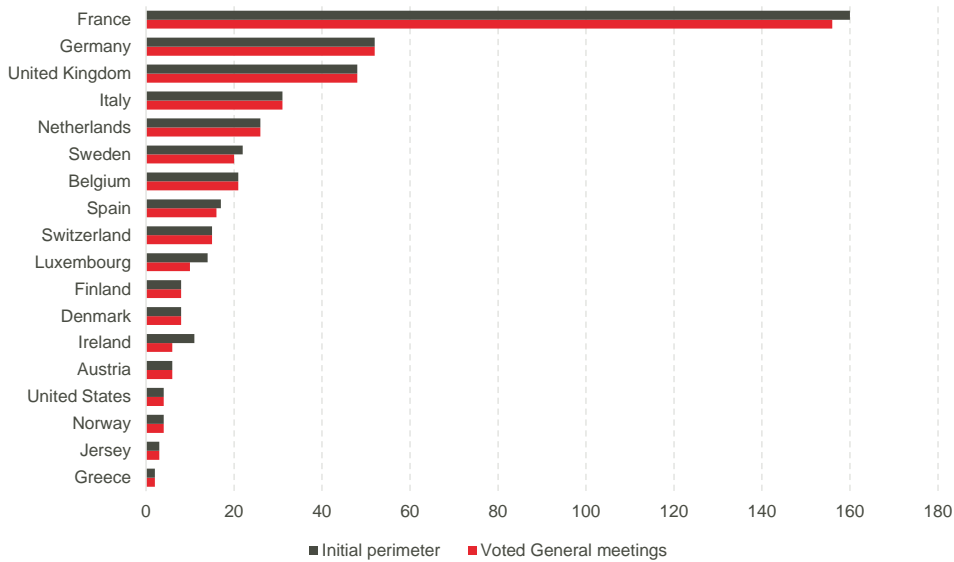


## Geographical breakdown of votes at AGMs in 2018



Sources: ISS, ODDO BHF Asset Management SAS, 31/12/2018

## Gap between potential and voted AGMs

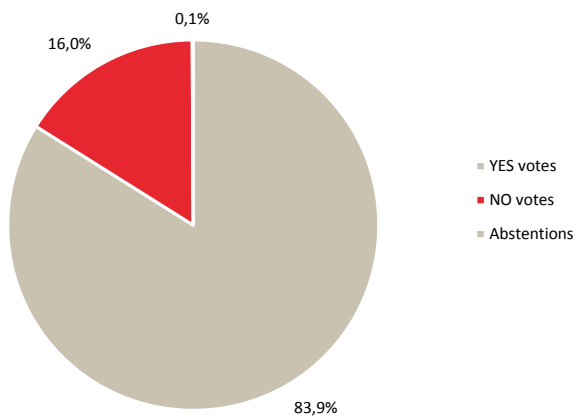


Sources: ISS, ODDO BHF Asset Management SAS, 31/12/2018

### Breakdown of votes by resolutions

Of the 7,013 possible resolutions in 2018, ODDO BHF Asset Management SAS voted on **6,679**, representing a **participation rate of 96.7%**. **Opposing votes** represented **16%**.

### Breakdown of votes by nature



Sources: ISS, ODDO BHF Asset Management SAS, 31/12/2018

### History of votes “for” and “against”

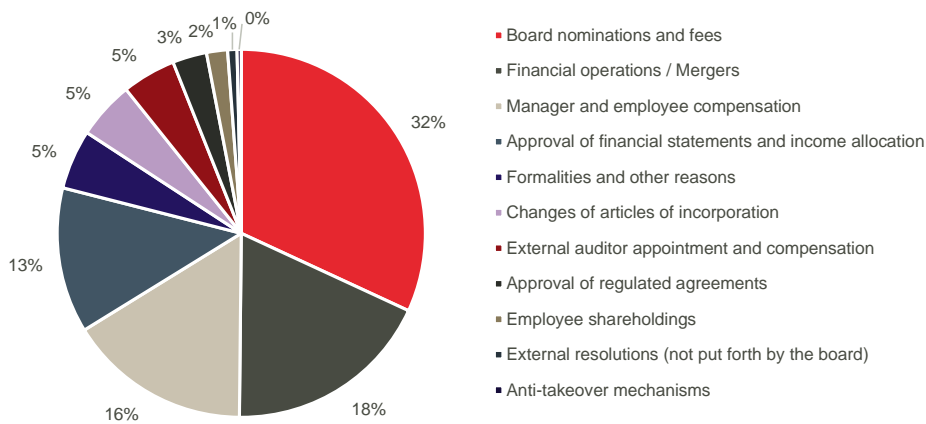
Year	Number of resolutions	% of "yes" vote	% of "no" vote
2012	3143	90,10%	9,90%
2013	2963	89,35%	10,18%
2014	6037	86,90%	13,07%
2015	6244	85,14%	14,78%
2016	6499	85,13%	14,61%
2017	6582	82,98%	16,96%
2018	6679	83,90%	16,00%

Source: ODDO BHF Asset Management SAS, 31/12/2018



By category, our votes in 2018 mostly related to resolutions about the nominations and attendance fees of members of boards of directors or supervisory boards (32%), financial operations and mergers (18%) and the remuneration of managers and employees (16%).

### Breakdown of resolutions voted on by category



Sources: ISS, ODDO BHF Asset Management SAS, 31/12/2018



The approval rate of resolutions varied from 73.4% to 100% depending on the geographical origin of companies whose AGMs were attended by ODDO BHF Asset Management SAS.

#### Geographical breakdown of votes “for”

Countries	Number of companies	% of "YES" votes
Germany	52	93,37%
Austria	6	89,36%
Belgium	21	82,74%
Denmark	8	97,27%
Spain	16	93,53%
United States	4	100,00%
Finland	8	97,22%
France	156	73,44%
Greece	2	75,00%
Ireland	6	91,21%
Italy	31	79,33%
Jersey	3	100,00%
Luxembourg	10	97,18%
Norway	4	87,50%
Netherlands	26	98,17%
United Kingdom	48	97,65%
Sweden	20	94,10%
Switzerland	15	88,04%

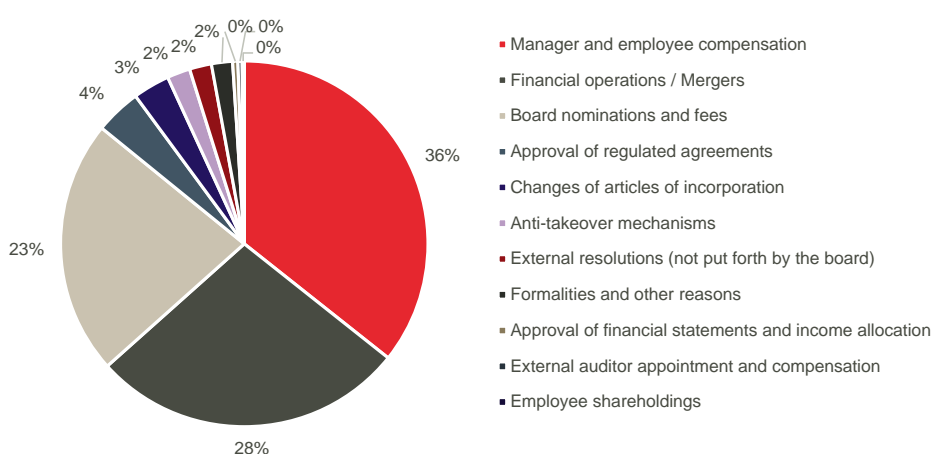
Sources: ISS, ODDO BHF Asset Management SAS, 31/12/2018



## 2. Analysis of opposing votes

In 2018, ODDO BHF Asset Management SAS opposed 1,092 resolutions. 87% of opposing votes in 2018 were concentrated on management remuneration (36%), financial operations and mergers (28%) and the appointment and attendance fees of directors (23%).

### Breakdown of opposing votes by category



Sources: ISS, ODDO BHF Asset Management SAS, 31/12/2018

As a reminder, our voting policy pays particular attention to these three subjects.

- **Management remuneration:** we assess the structure of remuneration, with a particular focus on the transparency and readability of information presented, and its alignment with the company's medium- and long-term performance.
- **Financial operations and mergers:** ODDO BHF Asset Management SAS does not back resolutions authorising a merger or acquisition if the financing is not favourable, if the company's structure following the operation does not reflect good governance and if there are concerns that the negotiation process could have had a negative impact on the assessment of the offer terms.
- **Nomination and attendance fees of directors:** we are watchful that boards of directors of supervisory boards respect a minimum independence rate (50% for non-controlled companies and 33% for controlled companies) and demonstrate efforts to improve diversity and that directors do not accumulate too many mandates.

### 3. Resolutions submitted by shareholders (not approved by the Board)

In 2018, ODDO BHF Asset Management SAS voted on 58 external resolutions submitted by shareholders, with 36 votes “For”, 21 votes “Against” and one “Abstention” vote.

Opposing votes mainly related to proposed nominations of directors and dividend payments in shares.

### 4. Management of conflicts of interest

ODDO BHF Asset Management SAS did not encounter any conflicts of interest in relation to votes exercised in 2018.

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