

Voting Policy

Updated May 2008

Pursuant to Article 314-100 of the AMF's (French securities market regulator) general regulations, we draw your attention to the voting policy implemented by the company.

Initial public offerings impose on companies a significant duty of legitimate communication and equitable treatment of shareholders to create long-term value, a duty that is inherent in each of the areas presented.

For Groupama Asset Management, voting at general meetings of shareholders is an important commitment in the management process that has been developed over many years.

In addition to the regulatory obligations related to the voting right, for the company it involves engaging in dialogue with companies in which we invest on behalf of our customers. By explaining its voting policies at meetings, Groupama AM wants to commit, by taking into account technical and regulatory aspects, to exercising the voting right attached to listed shares held by the UCITS that it manages.

The application of our voting policy aims to promote the long-term increase in the value of our investments. It also encourages the spread of best practices in governance and professional ethics, as well as economic development, social cohesion and protection of the environment.

Our policy and voting guidelines are reviewed each year in order to take into account changes in the law and regulations as well as in governance codes, market practices and internal analyses.

Our voting policy is subject to approval by the Board of Directors of Groupama AM.

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1/ ORGANISATION OF THE MANAGEMENT COMPANY FOR EXERCISING VOTING RIGHTS

The exercise of voting rights involves two Groupama AM departments:

The Asset Management Department:

- has drawn up and updated a document called "Policy for exercising voting rights by Groupama AM" which presents the positions of the management company on standard resolutions.
- has subscribed to voting platforms and the services of external service providers (ISS, Proxinvest, ADP), which analyse the resolutions submitted to the shareholders' vote and provide comments. They review the resolutions, make detailed comments and give their opinion. These services ensure that you are notified when general meetings are held and that the voting material dispatched by the custodian is checked. Groupama AM reviews the advice provided and gives its own assessment of the resolutions.
- has allocated a stock market sector to each manager, on which he is responsible for voting for all the UCITS under consideration. This voting takes place by correspondence in nearly all cases.
- draws up an annual report of the voting policy implemented.
- takes account of the opinions of two other sources: the French Association for Financial Management (AFG) and the International Corporate Governance Network (ICGN).

The Department for Support Activities:

- through the Middle Office, manages the administrative processing of the voting files at the meeting. This department has drawn up a procedure called "Voting Rights". It consists of monitoring, in coordination with the custodian, the smooth operation of the voting at Groupama AM and particularly its timing to ensure the managers actually have the opportunity of exercising their voting right,
- fills in, as and when needed, a table recording each General Meeting (date the file is received, voting dispatch date, etc), archives each file.

A voting policy summary is inserted into the annual report of the UCITS.

The RCCI Compliance monitors the correct application of the policy for exercising voting rights by the company.

2/ CRITERIA DETERMINING THE EXERCISE OF VOTES

Groupama AM currently exercises the voting rights for the UCITS positions held in shares listed in the euro zone and representing an overall amount of shares held of over 1 million euros, insofar as it receives the documentation relating to this vote in good time from the custodians.

Despite the willingness of Groupama AM to extend its investment area in Europe by subscribing to advisory services and to an international voting platform, it has still not been possible for logistical reasons.

Regarding the temporary transfers of shares, Groupama AM avoids loans of shares that cause it to lose its voting rights.

3/ THE PRINCIPLES OF THE VOTING POLICY

Key principles:

- "one share = one vote"
- separation of powers and the independence of advice
- transparency and equity of remuneration
- integrity of the financial information
- reasoned management of the shareholders' equity
- acknowledgment of social and environmental responsibilities

1. INTERNAL PROCEDURES AND STRUCTURES

1.1. COMPOSITION AND OPERATION OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

1.1.1. Vote for the appointment of directors

Number of directors

The board, not including observers, must include a minimum of 7 members and must never exceed 16 people or 18 members following a recent merger.

Diversity of members

Groupama AM favours the diversity of the profile of representatives. A higher representation of women on the boards is desirable to reach a good balance.

Age of members

Groupama AM will vote against any proposal to amend the articles of association in order to remove the existing upper age limit for members of the board. Furthermore, any resolution setting an age limit above 70 will systematically be rejected.

Competence of members

Groupama AM reserves the right to vote against the appointment of a director when the latter proposes a strategic project that Groupama AM does not support (mergers, acquisitions, transfers, etc.) or when the person proposed embodies practices that Groupama AM does not approve of (cf remuneration for a member of the compensation committee).

1.1.2. Separation of the functions of Chairman and Managing Director

The separation of management and auditing powers is desirable; it can be obtained:

- by adopting the structure of a public limited company with a management board and supervisory board,
- by separating the functions of general management and chairmanship of the board of directors, under the condition of a majority of independent directors.

1.1.3. Observers' positions

The creation of positions for observers is not desirable: Groupama AM is not convinced of the need for the presence and intervention of remunerated observers (persons assisting the board without a voting right and without liability) on the boards (insofar as their term of office enables them to be exempted from the legislation on the number of offices held and can affect the smooth operation of the board) and consequently votes against observers' positions.

1.1.4. Independent directors

(a) Principle and definition

The qualification of members free from interests excludes, due to a conflict of interests or lack of potential availability:

- executives, employees and former executives or employees,
- parents and relatives of executives,
- shareholders and their representatives holding more than 3% of the voting rights,
- customers, suppliers and service providers of the company,
- persons belonging to a group run by one of the company's executives (cross-over terms of office of director or member of the supervisory board),

- persons accumulating in France or abroad more than five terms of office in listed companies, or more than three terms of office if they are executives of listed companies.
- executives of large financial institutions or banks,
- former executives of banks from within the last three years or who still have benefits granted by the bank of which they were executives,
- directors with a term of office within the company exceeding 12 years.
- persons who have been auditors to the company over the past five years.

(b) Number of independent directors

Groupama AM requires a minimum of 50% of independent directors. Any application from a non-independent candidate which would bring the rate of independence of the board below this threshold will be rejected, with the exception of the application of the managing director sitting on the board.

For Groupama AM the principle of independence is the first criteria when voting for the appointment of directors. When a choice between two directors must be made, a hierarchy according to age is applied, namely by decreasing order from (but without exceeding) 70.

- In particular, the following are accepted:
- two executive directors, if the number of directors on the board is greater than or equal to ten members, a single director if the number of directors on the board is below 10 members. If the hierarchy of the executives is not clearly established, Groupama AM then (or later) applies a hierarchy according to age, namely by decreasing order from (but without exceeding) 70.
- the three leading shareholders, whether they be individuals or legal entities. If the hierarchy of capital held by the principal shareholders is not known, Groupama AM applies the hierarchy rule related to age as stated above.
- two salaried directors, if the number of directors on the board is greater than or equal to ten members, a single director if the number of directors on the board is below 10 members.

1.1.5. Accumulation of terms of office

The appointment of persons accumulating in France or abroad more than five terms of offices in listed companies owned by different groups will be refused.

1.1.6. Reciprocal directors

Reciprocal directors are considered as not independent and are authorised up to the limits listed in the section on the independence of members and the proportion of independents.

1.1.7. Board of directors' charter

The drafting of a board of directors' charter is recommended: it will specify the professional ethics rules that the directors agree to comply with and the means put at their disposal.

1.1.8. Minimal holding of shares by board members

It is recommended that members of the board be obliged by the articles of association to hold a certain number of the company's shares, at least of an amount equivalent to one year of directors' fees.

1.1.9. Creation of specialised committees

The existence of independent specialised committees enables a more in-depth and more independent preparation of decisions; these committees must have the autonomous means to enable them to carry out their work. A minimum of three separate committees (audit, compensation, selection) is desirable. These specialised committees may not include executives and must be composed primarily of independent members.

Audit committee (or Accounts committee)

The audit committee must be exclusively composed of independent directors. However, in practice, the composition of the audit committee is not subject to the shareholders' vote.

1.2. REMUNERATION OF MANAGERS AND DIRECTORS

1.2.1. Transparency of the remuneration

The remuneration of the managers must give rise each year to a detailed annual and individualised report per manager and cover all the fixed, variable, conditional, in cash and in kind entries, in France and abroad, as well as all the entries relating to the options granted.

The use of an *ad hoc* company requires total transparency of the operations carried out by this company to enable an accurate measurement of the remuneration of the executives under consideration.

The information sent with regard to share subscription option plans requires transparency, which involves an analysis of the consequences of the option plans in

terms of the cost and dilution of future capital, and the statement of the number of beneficiaries of options attributed by these plans.

1.2.2. Remuneration and company performance

The variable part of the remuneration of executives must include the incorporation of long-term goals for creating real value, and necessitates transparency and the permanence of calculation methods used.

1.2.3. Remuneration of the CEO

When the remuneration of the CEO is put to the vote, Groupama AM will vote against any proposal that exceeds doubling the fixed remuneration of the CEO over one year.

1.2.4. Directors' fees

Groupama AM refuses directors' fees only if their amount greatly exceeds (150%) the weighted average (i.e. €19,000 per board member + €800 per billion of capitalisation) and if in addition the obligation to hold the shares is symbolic (less than 10 shares or €150).

1.2.5. Subscription or share purchase options and allocation of free shares

Employee shareholding plan

The allocation of shares to increase employee shareholding is desirable:

- a discount of 20% is acceptable when the volume of the increase in capital reserved for employee shareholding is not greater than 5% of the capital.
- beyond 5% of the capital, we are opposed to any discount. Furthermore, in cases where the share of the capital held by the employee shareholding exceeds 10%, we are systematically opposed to any discount.
- we recommend plans that benefit the greatest number of employees (at least 5% of the employees). Be that as it may, the management team must not attribute more than 20% of the options for all plans.

Allocation of stock options

Groupama AM accepts stock option programmes on condition that:

- the options granted have a shelf life below or equal to ten years.
- the options granted are unavailable for a minimum of four years.
- the stock options plan, in the event of exercising the options, represents an increase in capital of no more than 1% of the paid-up capital. This 1% is assessed on a yearly basis over several years (3 years maximum) if no other stock options programme has been issued over the preceding years
- the exercise price is either greater than or equal to the market reference price (no discount is accepted). If the maturity date is over 5 years, a premium may even be desirable.

If the distribution key for stock option plans is submitted to the vote, Groupama AM will vote against any plan proposal for attributing more than 1/3 of the options to the CEO.

Allocation of free shares

Groupama AM will vote in favour, particularly if the acquisition period exceeds the legal period of 2 years. Allocations of free shares must:

- not exceed 1% of the capital (and 10% in total with option plans)
- involve a number of beneficiaries greater than 20% of the workforce
- offer the management teams a reserved proportion not exceeding 20% of the plan
- limit to 1% of the plan the proportion reserved to the CEO

Capital increase reserved for employees

Groupama AM will vote in favour of these increases when the purchase price is not below 80% of the market reference price (70% for PERCO - Collective Retirement Savings Plan) and when the volume of this capital increase does not exceed 5% of the capital.

1.2.6. Benefits and retirement indemnities

- Any retirement indemnities in the event of disagreement with the board or in the event of the company being taken over, and including the required obligations of non-competition, must be fixed when the executives are hired as an element of their employment contract. => They should not exceed an amount equivalent to one year's fixed remuneration in addition to contractual indemnities.
- Supplementary pension plans must not enable executives to be allocated an amount above 60% of the average of the fixed annual salary paid over the past 3 years.

2. SHAREHOLDING: STRUCTURE, RIGHTS AND DUTIES

2.1. COMPLIANCE WITH THE "ONE SHARE = ONE VOTE" PRINCIPLE

The equity principle of "one share = one vote" opposes the double voting right attributed subject to nominative registration during a certain period.

Shareholder loyalty is desirable, but cannot give rise to favouring length of service. The principle of the equality of shareholders equally prohibits any limitation of the voting right.

2.2. INCREASE IN CAPITAL WITH THE LOSS OF PREFERENTIAL SUBSCRIPTION RIGHTS (PSR)

Compliance with the shareholders' preferential subscription right is fundamental during capital increases. General authorisations of issues with PSR should never exceed 100% of the capital.

- Capital increase with loss of the PSR without a reason: resolution always rejected.

Authorisations without PSR but with a guaranteed priority period for any issue in France or abroad must not exceed 33% of the capital so as not to penalise excessively those shareholders that are unable to take part.

2.3. CAPITAL INCREASE BY SUBSIDIARY OR IN PAYMENT OF A PUBLIC OFFERING

Groupama AM is systematically opposed to any capital increase during a public offering period, and more generally to any authorisation not related to a specific project to increase capital through subsidiaries or in payment of public offerings, a method that enables a public offering to be launched without a prior special authorisation from the general meeting and can form a protective measure for the capital.

2.4. CAPITAL INCREASE FOR THE PAYMENT OF CONTRIBUTIONS IN KIND

Groupama AM will vote in favour of any capital increase for the payment of contributions in kind when it does not exceed 10% of the capital. Beyond 10%, Groupama AM is systematically opposed when the nature of the contributions is not specifically stated.

2.5. CAPITAL INCREASE AS PART OF AN OVER-ALLOCATION ("GREEN SHOE") OPTION

Groupama AM is not opposed to an extension without PSR of a capital increase within a limit of 15% of the initial issue. This extension must be offered at the same price as that used for the initial issue and within a period of 30 days from the end of the subscription period.

2.6. STATUTORY THRESHOLDS FOR DECLARATIONS OR NOMINATIVE REGISTRATIONS

The statutory thresholds for declarations or nominative registrations, imposed by certain companies on shareholders holding between 0.5% and 5% of the capital, on

penalty of loss of voting rights or dividend, are not favourable to shareholders. They are not acceptable if they affect shareholders holding less than 2% of the capital. Moreover, Groupama AM is opposed to any attempt to reduce the deadlines declaration in the event of exceeding statutory thresholds below 5% to less than 15 days.

In any event, shareholders must have at least the same level of information as the management concerning the composition of the shareholding.

2.7. OPERATION OF THE GENERAL MEETING (GM)

The operation of the general meeting must comply with the following regulations:

guarantee of good prior information, with the dispatch of notifications to attend meetings being followed by the provision of a comprehensive information file within the legal deadlines.

neutral and transparent prior identification of any shareholder intending to exercise his voting right; the registration process on the attendance list for the general meeting will preferably be secured by a third party (central bank) and must not include any unnecessary blockage plan or discretionary penalty against the shareholder (contrary to the provisions for representation of foreign shareholders stipulated by the NRE law).

presence of members of the board of directors or supervisory board and the general management is required.

chairmanship by a non-executive director is preferable if the vice-chairman is absent.

ensuring an equal amount of time is allocated to speakers.

communication of the results of the resolutions put to the vote in the meeting and their availability via the internet within a period of 3 days.

2.8. OPERATION OF THE GM FOR COMPANIES UNDER FOREIGN LAW

Companies under foreign law listed on the Paris stock exchange must ensure their shareholders have equivalent rights to those of companies under French law:

the agenda of the general meetings of these companies must be published in the BALO within the same deadlines as are applicable to companies under French law,

information requested must be sent to the shareholders at least fifteen days before the Meeting,

the right to initiate in the meeting must be authorised under similar conditions to those required by French law; in particular, the shareholding threshold required to put forward a resolution will be equivalent to the threshold required by French law,

voting by correspondence in the general meetings must be possible,

individual and collective data on the remuneration of corporate officers and non-executives of the company must be communicated under the same conditions as those for companies under French law.

2.9. RESOLUTIONS PUT TO THE SHAREHOLDERS' VOTE

2.9.1. Related resolutions

The practice of "related" resolutions, which consists of grouping together several decisions under the same resolution, even if they are of a similar nature, is not satisfactory.

These decisions must be submitted separately to the vote of the general meeting. The same applies for proposals to appoint members of the Board of Directors.

When Groupama AM is against one of the decisions put to the vote in a "related" resolution, it will vote against the entire resolution.

2.9.2. Approval of the accounts

In general, Groupama AM votes in favour. The financial information must be accessible, accurate and coherent, the strategy presented must be understandable and consistent throughout all the documents provided to shareholders (annual report, reference document, press releases, etc).

The use of various reference documents in the presentation of the accounts requires the publication of an explanation for any discrepancies in relation to the standards. The presentation of risks, off-balance sheet obligations and litigation in progress must be exhaustive and given in real time.

Groupama AM votes against the approval of accounts with reservations from the company auditors concerning the accuracy of these accounts. Any refusal to approve the accounts is preceded by a reasoned argument shared by the head of the management and/or that of the financial analysis.

2.10. CHANGE IN SHAREHOLDING: MEASURES FOR PROTECTING THE CAPITAL/ANTI-PUBLIC OFFERING MEASURES

Groupama AM is opposed to any implementation of plans for protecting capital: use of "Dutch Stichting" type vehicles, conversion of the public limited company into a limited partnership, an articles of association clause penalising the company in the event of a public offering or in the event of a change in control, limited partnership, etc.

The issue of preferential shares is only desirable if it can be justified as part of an exceptional operation. Groupama AM attentively examines the documents relating to this issue.

2.11. APPOINTMENT AND INDEPENDENCE OF THE AUDITORS' WORK

- Independence:

remuneration of the auditors must be proportional to the volume of the assets and the group's business, and the fees for the board's services must never exceed the audit fees.

statutory auditors must not certify listed affiliates.

- Alternate auditors:

even if the practice that consists of taking one of the associates from the firm as an alternate can be criticised, Groupama AM considers this reason, taken in isolation, as insufficient to justify a vote against the appointment of the statutory auditor and the alternate auditor proposed.

2.12. DISTRIBUTION OF DIVIDENDS

Groupama AM checks that the distribution offered to shareholders is justified and in line with the strategy and the prospects of the company and with the distribution of the business sector.

The distribution of dividends must be subject to a specific resolution.

2.12.1. Assessment of the distribution policy

The assessment of the distribution policy is based on a multiple criteria analysis and penalises any dividend distribution:

exceeding 80% of the net income or 25% of the shareholders' equity that can be distributed or representing 150% of the sectoral distribution rate,

or, conversely, below 10% of the net income or 2% of the shareholders' equity that can be distributed or representing 50% of the sectoral distribution rate,

or when the growth in the dividend is more than 30% (i.e. is not comprised between 70% and 130%) of the growth of the earnings per share; or when the growth in the dividend differs by more than 50% from the growth in the stock market price of the share over 2 years (i.e. is not comprised between 50% and 150%).

2.12.2. Dividend distribution in shares

Groupama AM considers that the equity of the shareholders, through the distribution of the dividend in shares, is not called into question when a choice is offered to them and therefore accepts this option.

Creating shareholder loyalty is desirable: the dividend system, increased by the French legal limit of 10% of the increase and accessible to all the shareholders, is an acceptable instrument for creating loyalty, because it complies with the "one vote, one share" principle.

3. MISCELLANEOUS

3.1. REGULATED AGREEMENTS

Regulated agreements must all be signed in the interest of all the shareholders, which involves particular vigilance when approving these regulated agreements, which must be strategically justified and include fair conditions. Groupama AM votes against if not provided with information.

Any poorly explained regulated agreement, with little strategic justification or which is unfair, must result in the non-approval of the auditor's special report.

Equally, any unexplained extravagant or unjustified expenses must be refused. Regulated agreements must be the subject of a separate resolution. Otherwise, Groupama AM reserves the right to abstain or vote against.

3.2. DISCHARGE GIVEN TO THE BOARD

If the resolution relating to the discharge is independent of that relating to the approval of the accounts, Groupama AM votes against. Since, even if decisions of the general meeting can not have the effect of avoiding proceedings for damages against directors for a fault committed, the discharge would inevitably hinder the undertaking of actions for damages against corporate officers and would not be in compliance with protecting the interests of shareholders.

If the resolution relating to the discharge is associated with the approval of the accounts, Groupama AM votes in favour (subject to the approval of the accounts).

3.3. SHARE PURCHASES

Groupama AM is opposed to any resolution authorising the pursuit of a share purchase during a public offering period. Moreover, the share purchase policies will be assessed as part of a clear strategy: the companies, where the share does not have enough liquidity, creating the conditions for a low valuation on the market, must firstly rectify their own communication faults before proceeding with the purchase on the stock market by settling the market prices of their shares.

3.4. INDEBTEDNESS

Groupama AM considers that the companies (excluding banks and financial institutions to which this is not relevant or other sectoral exceptions justified in advance) must limit their potential net financial debt to one and a half times the amount of their shareholders' equity, and consequently votes favourably on resolutions that contribute to this.

3.5. MISCELLANEOUS ENTRIES

Each account-to-account transfer affecting shareholders' equity must be analysed with regard to its legal and economic justification.

3.6. NRE LAW

Groupama AM votes favourably in view of ensuring the compliance of the articles of association, even if it does not fully agree with certain marginal points. Obligatory issue subject to authorisation at the meeting: Groupama AM leaves it to the manager, who expresses the voting rights, to assess whether the amount and characteristics of the issues under consideration are reasonable.

4/ CRITERIA DETERMINING THE EXERCISE OF VOTING RIGHTS

For reasons of efficiency, Groupama AM mainly exercises its votes by correspondence. The company does not exclude a vote at a general meeting when it considers this to be preferable. If our opinion is sought on any additional resolutions not brought to our attention at the time of the prior vote, we will systematically abstain. When required, Groupama AM does not exclude the possibility of exercising its voting rights by proxy with a mention of the representative and obligation for the representative to vote in line with the instructions given by Groupama AM.

5/ PREVENTION OF CONFLICTS OF INTEREST

Groupama AM will apply the voting policy set out in point 3, indiscriminately of a business, capital or relations link that could exist between the company and the companies of the GROUPAMA Group.