



FINANCIERE DE L'ECHIQUEUR

VOTING POLICY

Financière de l'Echiquier, as a UCITS management company specialised in shareholdings under French law, holds shares in listed companies through the investments it makes for third parties.

Consequently, and in application of current regulations - article 314-100 of the General Regulations the AMF (French Financial Markets Authority) - Financière de l'Echiquier, a portfolio management company accredited by the AMF under number GP 91004, hereby presents its "Voting policy for General Meetings of Shareholders".

● Organisation of the exercise of voting rights

The management company has a team of "buy side" analysts and managers in charge of reviewing and analysing the resolutions presented by the managements of listed companies in which the management company's UCITS invest.

In keeping with the method defined hereinafter, the final vote is cast by the manager(s) concerned with the securities that are the subject of the General Meeting of Shareholders or by the analyst in charge of the security and who performed the analysis of the resolutions.

The mission of the Collective Management assistance team is to transmit the decision taken in the vote to the agent, as well as the number of securities concerned.

● Principles determining cases in which the management company does not exercise voting rights

French and European securities constitute the preferred UCITS management universe for Financière de l'Echiquier, which is why, to date, the overall portfolio of companies that the managers at Financière de l'Echiquier invest in is made up of French shares for 66%, European shares for 23% and international shares for 11%. It should be pointed out that these figures could change at any time.

The management company has therefore laid down the following voting principles:

-Voting rights will necessarily be exercised when the management company, through the UCITSs it manages, holds more than **2% of the capital or voting rights of a company**.

Financière de l'Echiquier chose this threshold mainly for two reasons:

-It considers that, below this level, the management company does not hold a significant, influential share in terms of voting rights.

-Furthermore, compared with practices amongst listed companies as observed by the management company, Financière de l'Echiquier feels that this threshold is representative of that statutorily adopted by many listed companies seeking to gain a precise view of their shareholders.

Voting rights are exercised for French shareholdings and, since 2008, for European shareholdings. Belgium, Denmark, Finland and Sweden are excluded, however, given the legal red tape that has to be dealt with to exercise voting rights.

For your information, the management company does not perform temporary transfers of securities.

● Principles behind the voting policy

Financière de l'Echiquier is a portfolio management company whose core business is stock picking.

Our management consists in rigorously selecting securities by implementing a process that entails direct meetings with the companies that the funds invest in.

This is followed by a fundamental analysis of each dossier, backed up by a rating system developed internally. Objectives are set for the securities chosen in terms of purchase prices and selling prices based on a medium-term valuation.

The dossiers chosen have therefore undergone a highly selective qualitative process. The methodology involving setting a purchase price and a selling price makes positioning possible on dossiers with potential for future appreciation in the market.

Thus, when the UCITS managers at Financière de l'Echiquier invest in listed securities, it is because they fully trust in the management teams and agree with the strategy set by them.

The management company invests in companies that create value for their shareholders. Consequently, there is no fundamental reason *a priori* to disagree with the management on the resolutions for which they request approval at General Meetings of Shareholders. These are decisions leading to changes in the articles of association, the approval of the accounts and allocation of income, the nomination and revocation of corporate bodies, and the designation of statutory auditors.

Financière de l'Echiquier carefully studies all resolutions that go against the company's interests or those of the minority shareholders and is particularly vigilant on four particular points, i.e.:

- share issues without preferential subscription rights for existing shareholders;
- capital increases in the case of a takeover bid and all other anti-takeover measures.
- issues of share subscription warrants or any other warrants opening access to the capital to the exclusive benefit of a category of shareholders (employees, for example), thus leading to a dilution of the other shareholders.
- approval of regulated agreements, if their content is contrary to the rules of good governance or is not easily accessible.

Consequently, in these particular cases concerning the defence of minority shareholders, who indirectly hold shares through Financière de l'Echiquier mutual funds, the management company reserves the right to vote against such resolutions or to abstain.

● Conflicts of interest

-Financière de l'Echiquier is a fully independent management company owned by its management and employees. It does not depend on any other financial establishment having multiple activities which could lead to conflicts of interest.

-Furthermore, all co-workers at the company are subject to strict rules of professional ethics concerning financial market operations undertaken on a personal basis. Each year, co-workers declare all share accounts opened in their name, with a third party or for which they have power of attorney.

They can only invest in UCITs and/or under discretionary management mandates with Financière de l'Echiquier for which the capital is invested exclusively in UCITs. These operations are the subject of subsequent controls by the Internal Control and Compliance Manager.

In this context, the management company reasonably considers that it is protected from any conflicts of interest that could affect its free exercise of voting rights.

● Method of exercising voting rights

Financière de l'Echiquier prefers voting by post, but reserves the right, depending on the circumstances, to vote by effective participation in the General Meetings of Shareholders or by granting power of attorney to the President of the company, or exceptionally by instrument of proxy.

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<p>This document may be updated at any time by Financière de l'Echiquier. It is available upon request from Financière de l'Echiquier 53 avenue d'Iéna 75116 Paris, France, Département Gestion Collective (Collective Management Department).</p>
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