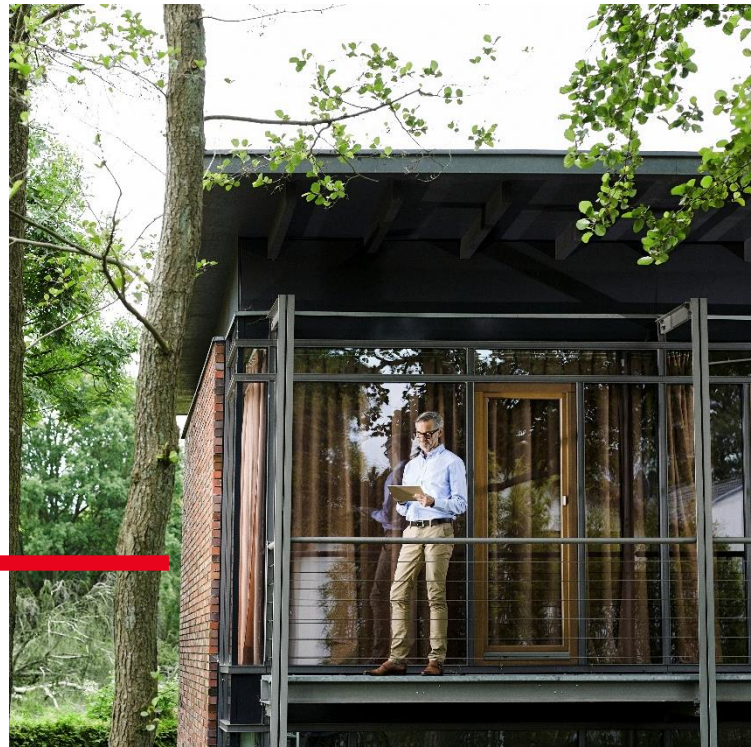


STEWARDSHIP POLICY

General Engagement and Voting Principles



As described in Our SRI Philosophy, convinced of the environmental, social and governance challenges, SGPWM has defined – as an extension to its approach as a responsible investor – a stewardship policy covering our engagement activities as well as proxy voting policy attached to the securities held by the collective investment schemes (AIFs and UCITS) which it manages. Here below we outline how SGPWM, on behalf of its clients, exercises its role as a responsible shareholder.

This policy has two complementary components: an **engagement policy** and a **voting policy**, thus meeting the fiduciary obligations towards SGPWM's clients.

SGPWM's Stewardship policy lists the main principles of corporate governance to which the management company adheres. As shareholders' meetings cover many different subjects, this document sets out SGPWM's voting principles on key issues. The engagement and voting principles are reviewed annually to take into account legal changes, changes in governance codes and market practices that may have occurred throughout the year. This policy is validated by an internal governance committee and is in line with our socially responsible investor (SRI) approach.

IMPLEMENTATION OF THE STEWARDSHIP POLICY

SGPWM relies on its own expertise and on the investment expertise of the Société Générale Group. This allows us to complete our analysis of the securities within the scope of SGPWM's research, to participate jointly in the discussions with issuers and to share our views on the adaptations of the engagement and voting principles that are relevant in terms of changes, particularly regulatory changes.

The following stewardship policy applies to the compartments of SICAV Moorea where the portfolio management is performed by SGPWM. Only the European issuers are in scope. The voting principles presented are applicable to General Meetings held from January 1st, 2020.

An internal governance committee, composed of Chief Executive Officer, Chief Investment Officer, Chief Operating Officer, Senior Portfolio Managers and Senior Risk Managers, oversees the implementation of the SGPWM's stewardship policy.

Internally, the coordination of votes, their analysis and decision, is ensured by Senior Portfolio Managers responsible for the UCITS portfolio management.

Moreover, SGPWM uses the services of an external provider to support it. This proxy advisor establishes analysis and provides voting recommendations. SGPWM 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, SGPWM currently uses the services of ISS (Institutional Shareholder Services) for the implementation of its voting policy.

Where electronic vote is possible, voting is cast through a Proxy Exchange Platform on which SGPWM inputs its voting instructions. In exceptional cases where electronic voting is not possible (notably for some French companies) proxy voting forms are filled out according to SGPWM's voting policy and sent to the relevant issuers by post.

The following are the key cases which are excluded from SGPWM's voting process: voting at general meetings of companies that require blocking share; voting at general meetings of companies whose shares are listed on markets involving excessive formalities or administrative costs; voting on loyalty shares; postal voting is not provided by the custodian of the securities held by the UCI (this custodian is not selected by SGPWM).

ENGAGEMENT PRINCIPLES

At SGPWM, we are convinced that a solid and transparent corporate social responsibility policy is synonymous with value creation and long-term sustainable financial performance for investors. This is why our approach as a socially responsible investor (SRI) is based on the conviction that taking into account extra-financial criteria in our investment choices is essential and allows us to contribute to a more sustainable economy.

SGPWM pays particular attention to initiatives that improve the environmental and social practices of the companies in which we invest. In order to promote best practices in this area, SGPWM has defined a commitment policy that focuses on two areas.

Engagement towards general assemblies

As a representative of the shareholder funds it manages, SGPWM is committed to exercising the voting rights attached to the shares held by these funds to promote best practices in corporate governance. To this end, SGPWM, in association with Société Générale Group's investment expertise, will, where appropriate, use its influence prior to general meetings in order to initiate a constructive dialogue with companies, which will be reflected in the resolutions submitted to the shareholders' vote.

Outside the period of the General Assemblies, SGPWM promotes a regular dialogue with companies on corporate governance issues such as changes in the composition of the Board of Directors and its committees, succession plans, the role and functions of the lead director, changes in the remuneration policy, etc.

Engagement towards environmental, social and/or governance issues

Considering environmental, social and/or governance issues is at the heart of SGPWM's responsible investor strategy. Establishing a dialogue with companies allows us to assess how they manage to limit the extra-financial risks they face and to seize the opportunities linked to sustainable development. SGPWM considers that it is the responsibility of the management and the Board of Directors to supervise the definition of the extra-financial and climatic risks and opportunities of the company, as well as the strategy implemented by the management regarding this risk / opportunity analysis. SGPWM's objective is to establish a regular dialogue with companies in order to encourage them to improve their Corporate Social Responsibility (CSR) practices.

Escalation procedure

SGPWM considers that engagement with issuers is constructive when discussions are based on a relationship of trust. In this sense, SGPWM's policy is to preserve the confidentiality of exchanges with issuers.

However, it may happen that some exchanges do not lead to positive developments, or do not lead quickly enough, in terms of ESG or climate change, and therefore call into question SGPWM's commitments. Following a precise analysis of the situation, SGPWM may resort to an escalation procedure which could take the form of one or more of the following:

- Collaborative engagement
- Negative votes at a general meeting
- Letter to the company's Board of Directors or Supervisory Board
- Taking a public position
- Filing a resolution at the general meeting
- Putting the company under surveillance
- Absence of new investments by the company
- Divestment

The activation of this escalation procedure is a case-by-case decision and can therefore vary depending on the situation (investment vehicles and/or the commitment concerned and/or the company concerned, etc.).

VOTING PRINCIPLES

Good corporate governance should result in improved corporate performance in the long term. By exercising its voting rights, SGPWM can contribute to the improvement of 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 mitigating the risk of corporate failure.

Our pillars of good corporate governance are:

- **Protection of the long-term interests and rights of shareholders, supporting the “one share, one vote” principle**, where shareholders have voting rights in direct proportion to their economic interest in a company
- **Independence and diversity of boards of directors** to avoid conflicts of interests and to foster optimal effectiveness and efficiency
- **Balance of the financial structure of the company** allowing it both to have the essential conditions to deploy its strategy while preserving the position of the shareholder
- **Fair and transparent executives’ remuneration policy** in line with the performance of the company
- **Quality and integrity of financial information** and related communication to shareholders
- **Integration of corporate environmental and social responsibility in the company’s** operations for the benefit of the company, its shareholders and other stakeholders

The following chapters address governance issues included in the most frequent proposals presented for shareholder’s vote. SGPWM’s general voting principles on these resolutions reflect commonly accepted best global corporate governance practices. In cases where resolutions fall outside of the areas covered in the voting policy, a case by case analysis will be made.

In general, SGPWM reserves the right to derogate from the principles set out below if the situation is deemed to be contrary to the interests of its clients. In this case, these situations will be set out in the annual report on the exercise of the voting rights (see below the part Reporting).

One share, one vote

SGPWM adheres to the principle of “one share – one vote”. A dual-class structure can allow a group of shareholders with voting power not corresponding to their ownership level and entrench management against shareholder pressure for change. SGPWM believes that each share of common stock should have one vote and companies not abiding by this principle should periodically assess the efficacy of such a structure and provide shareholders with a rationale for maintaining it.

Board of directors

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 regarding SGPWM’s voting directions on resolutions concerning the board of directors.

- **Board diversity:** SGPWM recognizes the importance of board diversity in a company's success, as a diverse board of directors can bring a range of perspectives to address strategic challenges. When considering an individual's potential contribution to the board, factors such as cultural and geographical background, gender, age, education, skills (etc.) should be taken into consideration. Resolutions on proposed new directors should be accompanied with a biography and information on the experience and qualities that the candidate would bring to the board.

- **Directors' independence:** SGPWM recommends that the board include a majority of independent directors and will generally vote in favor of increasing the share of independent directors. In some cases, such as where there is a majority shareholder or where the board is required to include a certain proportion of employee representatives, such as in France or in Germany, a lower share of independent directors could be accepted.

Recommendations on optimal board independence level are informed by local corporate governance codes and international best practices. For example, a majority of independent directors is an established practice in markets such as the UK and the USA.

In all markets SGPWM expects companies to disclose the information necessary for shareholders to determine whether directors qualify as independent. Directors' independence in recent moderate-to-severe level controversies.

- **Board Size:** SGPWM considers that a board should have no fewer than 4 and no more than 18 members. The board should be large enough to maintain the needed expertise and independence, and small enough to function efficiently.
- **Separation of the functions of Chairman and CEO:** Separation of the functions of Chairman and CEO is one of the fundamental principles of good corporate governance and can be expressed in different ways. In countries that have adopted a two-tier board structure such as Germany, the Netherlands, Finland and China, companies have two separate boards, a management board consisting of executive directors responsible for the day-to-day management of the company and a supervisory board comprising only non-executive members responsible for monitoring the management function. However, the one-tier board structure, whereby both executive and non-executive directors are part of the same board, remains the most prevalent structure.

A separation of powers mitigates the risk of an over-concentration of power in the hands of one person, and the board's ability to exercise judgment independently of management can be weakened if one person fills both the roles of Chairman and CEO. In general, SGPWM is in favour of the principle of separation of the functions of Chairman of the Board and CEO. A combined Chairman/CEO role may, nevertheless, be accepted given certain conditions, such as a lead independent director or a high overall board independence level, whereas market practice will also be taken into consideration. In the US, for instance, it is fairly common for companies to have a combined Chairman/CEO, but counterbalancing mechanisms such as a high proportion of independent directors and the presence of an independent lead director are equally common.

- **Board committees:** SGPWM recommends that the Board delegate key oversight functions to the following three committees: remuneration committee, nomination committee and audit committee. The roles of these committees should be clearly defined and communicated to shareholders. Since board committees carry out crucial functions, it is important for them to be sufficiently independent from management. Ideally, more than half of the members of the remuneration committee and audit committee should be independent and at least one-third of the members of the nomination committee. Chairperson of the audit and remuneration committees should also be independent. However, SGPWM will follow the provisions prescribed in local law or best practice governance codes when they are stricter.
- **Term of office:** The term for board members should not exceed 4 years. SGPWM will generally vote against proposals to extend board terms.
- **Bundling of elections:** Where a resolution can be presented as a separate voting item, it should not be bundled together with other resolutions. In particular, elections of directors should be proposed on an individual director basis and not as a slate of candidates, as board may use a bundled proposal in order to

protect individual directors or prevent the change of certain board practices. SGPWM however recognizes that bundling together election proposals is still the prevalent practice in some countries, such as in Italian market. In those markets, SGPWM will not necessarily vote against elections for the only reason that they are presented in a bundled way, but strongly encourages companies to abandon this practice.

- **Multiple directorships:** SGPWM is not in favour of board members holding an excessive number of board appointments, as directors should be able to commit an appropriate amount of time to exercise their duties. Although it is important for directors to broaden their skills and knowledge, they should be mindful of the time commitment required for board and committees matters on multiple boards and the risk of not being sufficiently involved in the long-term development of each company. SGPWM may vote against the election of a director if he holds an excessive number of mandates. As a general rule:
 - Executive directors are expected not to hold other executive or chairmanship positions. They may however hold up to two other non-executive directorships in listed companies.
 - Non-executive chairmen are expected not to hold executive positions elsewhere or more than one other chairmanship position. They may however hold up to two other non-executive directorships in listed companies.
 - Non-executive directors who do not hold executive or chairmanship positions in listed companies may hold up to four other non-executive directorships in listed companies.

SGPWM will also follow the provisions prescribed in local best practice governance codes on this matter, when they are stricter.

- **Responsibility of the Board on ESG and Climate issues:** SGPWM considers that it is the Board's responsibility to oversee the definition of the company's extra-financial and climate risks and opportunities, as well as the strategy implemented by management with regard to this risk/opportunity analysis. Thus, SGPWM may oppose the discharge of the Board but also the renewal of the mandate of certain Board members (members of the audit committee and/or the CSR committee or equivalent) in the event of:
 - Environmental controversies
 - No disclosure of CO2 emissions (scopes 1, 2 and 3)

In addition, starting from the General Meetings to be held in 2021, SGPWM may vote against the renewal of the Chairman of the Board in the following cases:

- Lack of support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and public disclosure with these recommendations applicable to companies in the most climate sensitive sectors (automobiles, chemicals, construction materials, food beverage and forestry, industrials, mining and metals, oil and gas, transportation, utilities and power producers).
- Environmental controversies,
- No disclosure of CO2 emissions (scopes 1, 2 and 3).

Remuneration and benefits

Remuneration policies should be designed in such a way that will attract, retain and appropriately incentivize directors with the skills required to run a company successfully in the long term. Transparency regarding remuneration is essential in order for shareholders to judge whether potential rewards are fair and aligned with their interests.

- **Executives' compensation related proposals:** Remuneration policies should be linked to the company's strategy and the amounts granted should reflect the company's performance. SGPWM votes on executives' compensation-related items on a case-by-case basis, while taking into account global corporate governance

best practice. In particular, SGPWM believes that a board of directors should abide by the following general principles:

- 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.

For companies which belong to the sectors which are the most sensitives to climate considerations, SGPWM expects specific criteria to be included in the definition of the variable remuneration of the main executives. Thus, in the absence of criteria on ESG and/or Climate issues, SGPWM may, from the general meetings held in 2021, oppose the resolutions on executive compensation.

To analyze executives' compensation policy, SGPWM analyses the different components of compensation while taking into account the specificities as the size of the company, its shareholding and its geographical zone.

- **Executive equity based compensation:** Executive equity incentive schemes should always be subject to clear and stringent performance conditions measured over an extensive period of time (at least 3 years). Basic dilution under such plans should remain reasonable. Stock-options plans not be issued at a discount nor repriced. For larger companies, shares and stock options reserved under the plans should not be excessive.
- **Non-executives' compensation related proposals:** As far as non-executive directors are concerned, their compensation should be consistent with their responsibilities and the time they devote on executing board and committees' duties, without compromising their ability to act independently of the management.
- **Severance pay agreements:** SGPWM supports severance pay agreements (including non-compete agreement) that are not of an excessive amount (two years of compensation maximum) and that contain performance conditions. Performance conditions should be quantifiable and stringent enough. Such packages should not be given when the executive is not senior enough with the company or if the executive retires. Severance pay agreements should not reward failure. The vesting of shares and/or stock-options should not be accelerated in case of the executive' departure.
- **Pension schemes agreements:** SGPWM supports pension schemes agreements to executives who are senior enough within the company. Such plans should be granted for a large scale of executives, not only the CEO. Payment should be made only if the executive is working for the company at the moment of the grant and should avoid the risk to pay for failure.
- **Employee share purchase plans and saving-related share schemes for the company personnel / employees:** SGPWM supports share purchase plans and saving-related share schemes for all employees as they help to align employees' interests with those of shareholders. As opposed to plans for executives, moderately discounted stock-options are acceptable. Dilution under such plans should always remain reasonable.

Shares capital – issuance and structure

SGPWM 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.

- **General capital issuances with pre-emptive rights:** SGPWM supports capital issuance with pre-emptive rights to a maximum of 50 percent over currently issued capital as long as the share issuance authorities' periods are clearly disclosed and in line with market-specific practices or recommended guidelines. However, SGPWM will also align its position with stricter local best practices on this matter, where relevant.
- **General capital issuance without pre-emptive rights:** SGPWM supports capital issuance without pre-emptive rights to a maximum of 10 percent (or lower if provided in local market best practices recommendations).

SGPWM will examine specific issuances, with or without pre-emptive rights, on a case-by-case basis and on an aggregate way. With respect to shares buyback programs, SGPWM will ensure that there are limited in terms of amount and duration and used in the best interests of the company.

Integrity of accounting and financial management – operational items

Shareholders have the right to accurate, concise and transparent accounts in order to be able to assess the financial standing of the company and take informed voting decisions.

The financial information should be accompanied with contextual information explaining key changes between reporting periods. Reporting to shareholders should include information on risks and uncertainty facing the company and elements that contribute to long term value creation.

- **Financial statements / auditor reports:** SGPWM emphasizes the importance of good quality financial reporting and encourages companies to adhere to the highest international standards regarding disclosure of information to the market. SGPWM generally votes for the approval of financial statements and auditors reports as well as the appointment of auditors (and auditors' fees), unless particular concerns have been raised as to the independence of the auditors, the integrity of the information provided or the level of non-audit related fees paid.
- **Related-party transactions** (specificity of the French market): Related party transactions will be closely monitored, especially when executives / directors of the company are involved in such transactions. The nature of the convention, its pricing process, among other important points, will be analyzed. The statutory auditors' special report on regulated agreements will be examined on a case-by-case basis by checking that transactions are concluded in the shareholders' interests.
- **Allocation of income:** SGPWM generally votes for approval of the allocation of income and distribution of dividends, unless the dividend payout ratio is unusually low or excessive given the company's financial situation and the company has not provided a suitable explanation.
- **Changes in company fiscal Term:** SGPWM votes for resolutions to change the company fiscal term unless the company's motivation for the change is to postpone its annual general meeting.
- **Changes to articles of association:** Company's articles of association are a key element of corporate governance and consequently of considerable interest to investors. Proposals to amend a company's articles of association are often made in response to changes in the rules, laws, or regulations affecting the company, such as changes in stock exchange listing rules. Most of these changes may relate to technical or administrative matters, however, they should be carefully considered because they could have a significant

effect on corporate governance. SGPWM votes on amendments to the articles of association on a case by case basis.

External shareholder resolutions on social or environmental issues

The board of directors should be able to determine the environmental and social impact of the company's operations and identify the potential business and reputational risks, while ensuring that appropriate controls and procedures are in place to manage them. SGPWM will generally vote in favor of social and environmental proposals that seek to promote good corporate citizenship, while enhancing long-term shareholder and stakeholder value. In determining votes on shareholder social and environmental proposals, the following factors are considered:

- If the issues presented are more appropriately dealt with through legislation or government regulation;
- If the company has already responded in an appropriate and sufficient manner to the issue(s) raised in the proposal;
- Whether the proposal's request is unduly burdensome (scope, timeframe or cost) or overly prescriptive;
- The company's approach compared with any industry standard practices for addressing the issue(s) raised by the proposal;
- If the proposal requests increased disclosure or greater transparency, whether or not reasonable and sufficient information is currently available to shareholders from the company or from other publicly available sources;
- If the proposal requests increased disclosure or greater transparency, whether or not implementation would reveal proprietary or confidential information that could place the company at a competitive disadvantage.

Regarding climate-related resolutions, SGPWM will generally vote in favor of :

- Resolutions will improve the information provided by the company on the financial, physical or regulatory risks related to climate change, its operations and investments, or how the company identifies, measures and manages these risks;
- Resolutions whose purpose is to obtain corporate GHG emissions targets from the company's activities and/or products

Miscellaneous

- **Mergers and Acquisitions:** Voting decisions on resolutions concerning mergers and acquisitions are taken on a case by case basis, considering the following factors:
 - Valuation – Is the value to be received by the target shareholders reasonable?
 - Market reaction – How has the market responded to the proposed deal?
 - Strategic rationale – Does the deal make sense strategically? From where is the value derived?
 - Conflicts of interest – Are insiders benefitting from the transaction disproportionately and inappropriately as compared to non-insider stakeholders?
 - Governance – Will the combined company have a better or worse governance profile than the current governance profiles of the respective parties to the transaction?
- **Anti-takeover mechanisms:** SGPWM generally votes against anti-takeover proposals, unless they are structured in a way that they give shareholders the ultimate decision on any proposal or offer.

Please note that SGPWM's voting policy can deviate depending of the market and/or local best practices and disclosure levels.

POLICY ON SECURITIES LENDING

Securities lending will be repatriate on a best effort basis to the extent allowed by legal, technical constraints and clients' economic interests.

CONFLICTS OF INTERESTS

Our voting guidelines are intended to identify the best interest of all clients and principals. SGPWM may have cases of conflicts of interests related to the implementation of its voting policy. Potential cases could include voting of resolutions of companies that are part of the Société Générale Group. As with all our holdings, the general rule in cases for which there may be a conflict of interest is to vote in accordance with the voting policy.

In exceptional cases where a conflict of interest prevents an effective application of the voting policy, the decision, preceded by the analysis and presentation, will rest to the internal governance committee.

REPORTING

To provide its clients with the greatest transparency and to meet legal obligations, SGPWM publishes every year on its website a report presenting the results of its voting policy.

This report, usually available in the first quarter of the calendar year, includes, the details of the voting decisions of the past general meeting season including, among others:

- Number of companies and of general meetings on which resolutions were voted during the voting period;
- The proportion of general meetings on which SGPWM has voted compared to the total number of general meetings included in SGPWM voting scope;
- The proportion of general meetings on which SGPWM has voted compared to the total number of general meetings for which SGPWM holds voting rights;
- Share of votes that were cast against recommendation of the company's management;
- Cases where the principles of the SGPWM' voting policy were not followed;
- Cases of conflicts of interests that came up during the voting period.