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SERVIR L'AVENIR

Bpifrance Investissement
Voting Policy

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1. INTRODUCTION

This voting policy applies to the Bpifrance Investissement entity as a management company approved by the Autorité des Marchés Financiers (hereinafter the “AMF”) and forming part of the Bpifrance group.

In accordance with Articles 319-21 *et seq.* of the AMF General Regulation (see details of regulatory references in the Annex), Bpifrance Investissement has implemented a voting policy which it intends to apply within the framework of the exercise of voting rights attaching to listed securities held in the portfolios of investment vehicles or entities which it manages or advises.

This voting policy sets out the general principles to be applied which will ordinarily be followed where Bpifrance Investissement exercises voting rights at French, European and international companies having securities which are traded on a regulated market of a State which is a party to the European Economic Area agreement or on a recognised foreign market.

The provisions set out in this voting policy shall not apply in relation to the exercise of voting rights at companies having securities which are traded on Euronext Growth or on the free market.

This document may be viewed at any time on the website of the management company at the following address: www.bpifrance.fr.

This voting policy shall apply within the scope described above as of 28 April 2017.

A report on how Bpifrance Investissement has implemented this policy for the exercise of voting rights is prepared on an annual basis. It can be viewed upon simple request made to Bpifrance Investissement.

2. OBJECTIVES OF THE VOTING POLICY

Bpifrance Investissement believes that good company governance practices and the consideration of financial and extra-financial issues and sustainable development (social, environmental, etc.) increase both the value of companies in the long term and shareholder confidence, and therefore seeks to enhance the value of the investments in the vehicles or entities which it manages or advises by exercising the rights conferred on it by its shareholder status (via the investment vehicles or entities managed and/or advised), notably by actively participating in general meetings of listed companies held by those investment vehicles or entities.

The general meeting is, essentially, the central forum for expression of companies’ governance policy, notably the annual general meeting when shareholders are asked to confirm the company’s profit and loss and financial statements, to approve the strategic choices made in previous years, to renew their trust in the managers, to appoint new directors and the auditors and, lastly, to decide how to allocate any profits or losses and, where applicable, whether to pay a dividend.

The general meeting is also the forum for approval of important decisions such as proposed public offers, merger operations, share buyback programmes or authorising the ceiling for a share capital increase. Decisions taken at general meetings generally give an indication of the areas for development and the future direction of company strategy, which can affect financial performance.

Shareholders also make decisions in relation to managers’ remuneration policy and regulated agreements.

Lastly, analysis of the company and of the resolutions proposed at the general meeting provides a clearer picture of the financial and extra-financial aspects of the company (social, environmental and governance criteria, etc.).

3. PRINCIPLES AND IMPLEMENTATION OF THE VOTING POLICY

In accordance with its investment policy and its commitments relating in particular to Socially Responsible Investment (SRI), Bpifrance Investissement makes it a priority to adhere to the following general principles:

- Protecting the long-term interests of subscribers to the vehicles or entities which it manages/advises;
- The social interest of the business;
- Equitable treatment of shareholders;
- Integrity of financial statements and transparent communication;
- Preventing conflicts of interest between the company and the directors by ensuring the separation of powers and sufficient independence of the board;
- A transparent policy on managers' remuneration and any stock option plans, and on the reasonableness of remuneration which must be linked to the company's performance and development;
- Allocation of any profits or losses and use of shareholders' funds: sensible management of shareholders' funds;
- Strategic development.

3.1. Policy for the exercise of voting rights

The policy for the exercise of voting rights drawn up by Bpifrance Investissement is based on the principles of company governance (AFEP – MEDEF) and of transparency of information provided.

Bpifrance Investissement shall exercise the vote at general meetings on the basis of a specific, detailed analysis of each of the resolutions put to the vote, taking into consideration (i) the general principles set out above and their potential impact on the company's development and business, (ii) the guiding principles and recommendations in relation to voting laid down by the Bpifrance Investissement policy, as described in paragraph 3.2 below, and (iii) any specific matters relating to the circumstances and outlook of the company in question.

In the event that Bpifrance Investissement decides to diverge from these guiding principles or recommendations in relation to a resolution it is required to vote on, it must give a detailed explanation of the reasons in a report, as described in paragraph 7 of this policy.

3.2. Guiding principles and recommendations for the exercise of voting rights

Bpifrance Investissement has drawn up a number of guiding principles and recommendations to be applied in relation to the resolutions listed in Article 319-21 of the AMF General Regulation, namely:

- Decisions requiring an amendment of the Articles of Association;
- Approval of the financial statements and allocation of any profits or losses;
- Appointment and dismissal of governing bodies;
- 'Regulated' agreements;
- Equity security issuance and buyback programmes;
- Appointment of statutory auditors;
- Any other type of specific resolution which Bpifrance Investissement has identified in advance as being of strategic importance.

3.2.1 Amendment of the Articles of Association and treatment of shareholders

Bpifrance Investissement is in favour of the equitable treatment of shareholders and the principle of "one share one vote". Nevertheless, any mechanism aiming to take shareholders' long term investment and loyalty into consideration (e.g. allocation of double voting rights, etc.) can be justified. Therefore, Bpifrance Investissement recommends that in-depth consideration should be given to the various procedures under the terms of the Articles of Association set out below (non-exhaustive list):

- the allocation of double voting rights;
- the allocations of shares with priority dividends;
- placing a cap on voting rights beyond a certain shareholding threshold;
- any resolution intended to limit the power of shareholders.

With regard to the payment of dividends, the voting decision depends on the company's financial circumstances, the percentage allocated to distribution and the dividend coverage ratio.

Bpifrance Investissement has not laid down specific principles relating to payment of the dividend. Therefore, depending on the circumstances, it may be paid in cash or in shares.

A public offer in relation to a company must be submitted to the shareholders for analysis and for a vote. Further, Bpifrance Investissement will consider, on a case-by-case basis, all permanent or preventive measures against public offers which have been approved provided that they are justified by the long-term strategic interest of the company and shareholders.

Bpifrance Investissement is not in favour of resolutions combining several resolutions requiring the shareholder to make a block acceptance or refusal.

3.2.2 Approval of the financial statements and allocation of any profits or losses

Bpifrance Investissement recommends a vote against or an abstention in relation to resolutions for approval of the financial statements and allocation of profits or losses in the event that the auditors have refused certification or expressed significant reservations in their report on the annual financial statements.

Further, with a view to transparency, Bpifrance Investissement recommends a vote against or an abstention in relation to resolutions for approval of the financial statements and allocation of profits or losses in the event that the company has not sent the shareholders the necessary information within the allocated time frames.

3.2.3 Appointment and removal of governing bodies

Bpifrance Investissement favours methods of governance of public limited companies involving a Supervisory Board and Executive Board or a Board of Directors on condition that the functions of General Management (management and performance functions) and of Chair of the Board (control and supervision functions) are separate. These governance arrangements more clearly separate management and performance functions on the one hand, and control functions on the other. This therefore ensures improved operation of the company's management bodies.

Regarding public limited companies with a Board of Directors, Bpifrance Investissement considers that a minimum of 5 and a maximum of 12 members (excluding employee representatives) on the Board of Directors is desirable to ensure that a good range of expertise and experience is represented. In any event, this number must be tailored to the size of the company.

As a shareholder, Bpifrance Investissement is responsible for assessing (within the limitations of the information provided) the individual quality of the directors and the balance of expertise thus created to ensure that the governing bodies are in a position to make effective decisions (Board of Directors or Supervisory Board) on all strategic issues facing the company.

The composition of the governing bodies must also enable a balance between managers, independent members and members who may have an interest in the company. The presence of independent members helps maintain the balance of the governing bodies by ensuring all interests are taken into consideration; it is also desirable for long-term shareholders supporting company projects to sit on these governing bodies.



Bpifrance Investissement follows the recommendations made in the AFEP/MEDEF Code, namely that in controlled companies¹, the proportion of independent members must be at least one third of the board. In other companies where the share capital is dispersed² and which have no controlling shareholders, the proportion of independent members must be at least half of the board.

Bpifrance Investissement favours diversity in the composition of the governing bodies (training, nationality, age, balance of men and women, etc.) because this ensures that they operate more effectively. A lack of diversity without adequate justification may lead to Bpifrance Investissement voting against the appointment or re-appointment of members of the governing bodies (Board of Directors or Supervisory Board).

Bpifrance Investissement recommends voting in favour of resolutions relating to managers' remuneration to the extent that the following conditions are fulfilled:

- transparency in relation to the amounts and methods of calculating direct, indirect or deferred remuneration;
- consistency with practices in the sector and/or country in question;
- the manager's contribution and involvement;
- changes linked to the company's performance.

3.2.4 Regulated agreements

The supervisory body shall inform shareholders of the existence of transactions which may be the subject of potential conflicts of interest, clearly explaining how they benefit the company and what financial terms are attached. Agreements which have been approved in the past but remain in force shall be included in the auditors' report and approved by the shareholders if they are to be renewed.

Bpifrance Investissement may recommend a vote against or an abstention in the case of resolutions relating to regulated agreements if there is insufficient information to establish whether the transactions presented in the auditors' report are substantiated or whether some of them are contrary to the interests of minority shareholders.

3.2.5 Equity security issuance and buyback programmes

Requests for the issuance of shares are assessed on a case-by-case basis, taking into consideration the financial and strategic interest that the project may represent in terms of creating long-term shareholder value.

These resolutions are analysed having regard to the company's foreseeable financial needs, its projects, its alternative sources of financing, its track record in terms of use of its share capital and the volatility and liquidity of its shares.

Bpifrance Investissement recommends a vote in favour of proposals aiming to reduce the share capital which are based on current accounting requirements, unless the terms of the operation are unfavourable to shareholders.

3.2.6 Appointment of the statutory auditors

The auditors must effectively be independent both in terms of their professional situation and from the standpoint of the firm they belong to. There must be no links to a corporate officer which could jeopardise the auditor's independence.

Bpifrance Investissement is not in favour of the block appointment or reappointment of the statutory and deputy auditors. It will also ensure that the statutory auditors are independent from the deputy auditors.

¹ Controlled company is defined in Article L233-3 of the French Commercial Code as set out in the Annex

² "Other companies where the share capital is dispersed" includes any company not falling within the definition provided in Article L233-3 of the French Commercial Code set out in the Annex



4. ORGANISATION OF THE EXERCISE OF VOTING RIGHTS

4.1. Scope

Bpifrance Investissement votes at general meetings of companies included in portfolios of vehicles or investment entities managed and/or advised by Bpifrance Investissement, in accordance with the criteria set out below.

4.1.1 Shareholding threshold

Bpifrance Investissement reserves the right not to vote at general meetings of companies listed on a regulated market in which it holds less than 2% of the share capital or of the voting rights, across all vehicles.

4.1.2 Geographic criterion

Bpifrance Investissement reserves the right not to take part in general meetings of foreign companies listed on a regulated market.

Indeed, Bpifrance Investissement may prefer to defer the exercise of the voting rights, for example due to constraints associated with certain foreign legislation and/or practical difficulties associated with exercising the rights (complexity of the share-blocking procedure, documents required for voting drafted in a foreign language, costs associated with voting, etc.).

4.1.3 Organisation and method of exercising voting rights

Notice is given of general meetings through information disclosed directly by issuers, the specialist press, custodians, information systems (Reuters, Bloomberg, Proxinvest, etc.) and also by the French Asset Management Association (*Association Française de la Gestion financière* (AFG)).

The custodians of the investment vehicles have also set up processing procedures, making it possible to receive information relating to meetings directly from issuers and to take note of the resolutions put to a shareholders' vote along with the procedures for taking part.

The investors are responsible for examining and considering the resolutions presented.

They will consider each resolution having regard to their knowledge of the company and its business and to this policy and decide whether to vote for it or against it.

In principle, the representative of Bpifrance Investissement votes by mail. For securities held by Bpifrance Participations, there is the option of derogating from this principle of voting by mail on condition that the minutes of the general meeting are obtained afterwards. Before attending the general meeting, the representative of Bpifrance Investissement shall ensure that he or she has a valid, up to date power of representation where applicable.

5. CONFLICTS OF INTEREST

Bpifrance Investissement, as a management company regulated by the AMF, shall ensure compliance with the principle of the primacy of the best interests of subscribers or shareholders of the vehicles or entities which it manages or advises. In accordance with the regulations, subscribers or shareholders shall be informed of any conflicts of interest situation which Bpifrance Investissement has been required to deal with in exercising the votes attaching to the securities held by the vehicles or entities which it manages or advises. This information shall be disclosed notably in the annual report on the exercise of the voting rights as described in paragraph 7 of this report.



Accordingly, a mechanism intended to prevent, detect and manage the risks of conflicts of interest has been put in place. This mechanism is described in the policy on management of conflicts of interest.

6. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) ISSUES

The provisions of Bpifrance's founding law, shareholder orientations, and management choices drive the Group's identification and consideration of its responsibilities in the three areas underpinning sustainable development: economics, social matters and the environment as well as conflict of interest.

Bpifrance Investissement attaches the utmost importance to the establishment and effective functioning of structured governance that is ethical, transparent and respects stakeholder interests.

Bpifrance Investissement considers that it is essential for companies to assess the strategic impacts of their responsibility for social and environmental issues on their risks, reputation, competitive edge and growth opportunities. The detailed results of these analyses must be published to generate dialogue on these matters with shareholders and other stakeholders.

Bpifrance Investissement is therefore in favour of companies publishing reports relating to sustainable development, in addition to the financial report, to allow for a greater understanding of matters likely to affect the valuation of a company. Where such reports are put to the vote, Bpifrance Investissement recommends a vote against or an abstention if the information presented is considered insufficient or inadequate.

7. REPORTS RELATING TO VOTING RIGHTS

Information is presented in the annual management report for each investment vehicle or entity relating to the exercise of the voting rights for the portfolio companies.

Furthermore, in accordance with Article 319-22 of the AMF General Regulation, Bpifrance Investissement shall prepare a report on the exercise of the voting rights during the past financial year.

This report shall state in particular:

- The number of companies in which Bpifrance Investissement has exercised its voting rights as compared with the total number of companies in which it held voting rights;
- The cases where Bpifrance Investissement has taken the view that it cannot comply with the principles laid down in its "voting policy" document;
- The conflicts of interest situations which Bpifrance Investissement has encountered and had to deal with when exercising the voting rights attaching to the securities held by the investment vehicles or entities which it manages and/or advises.

This report may be viewed upon simple request sent to the registered office of Bpifrance Investissement at the address: Département Marché Actions (equity markets department) at 27-31, avenue du Général Leclerc 94710 Maisons-Alfort Cedex or at 6-8 Boulevard Haussmann 75009 Paris.

8. ANNEXES

8.1. Article 319-21 *et seq.* of the AMF General Regulation

In accordance with Article 319-21 of the AMF General Regulation, management companies are required to produce a document entitled "voting policy". It must be made available to the AMF and must be able to be viewed at the registered office of the management company.

Article 319-21

Asset management companies shall draw up a document entitled "Voting Policy", which shall be updated as necessary and which sets out the terms and conditions on which they intend to exercise the voting rights attached to the securities held by the AIFs that they manage.

In particular, this document shall describe:

1° The organisational structure within the asset management company that enables it to exercise such voting rights. It shall specify which bodies within the asset management company are responsible for examining and considering the resolutions put forward and which bodies are responsible for deciding how the votes shall be cast;

2° The principles to which the asset management company intends to refer in determining in which cases it will exercise the voting rights. These principles may include holding thresholds that the asset management companies set for taking part in voting on resolutions submitted to general meetings. In such cases, asset management companies shall explain their choice of threshold. These principles may also concern the nationality of the issuing companies whose securities are held by AIFs managed by the asset management company, the investment policy of the AIFs and the use of securities financing transactions by the asset management company;

3° The principles to which the asset management company intends to refer when exercising voting rights. The asset management company's document shall present its voting policy, heading by heading, corresponding to the types of resolution submitted at general meetings. The headings shall cover, inter alia:

- a) Decisions requiring an amendment of the Articles of Association;
- b) Approval of the financial statements and allocation of any profits or losses;
- c) Appointment and dismissal of governing bodies;
- d) 'Regulated' agreements;
- e) Equity security issuance and buyback programmes;
- f) Appointment of statutory auditors;
- g) Any other specific type of resolution that the asset management company wishes to identify;

4° A description of procedures to detect, prevent and manage conflicts of interest that might affect the asset management company's independent exercise of voting rights;

5° An indication of the way in which it customarily exercises voting rights, such as by physically attending general meetings, using proxies without indicating a specific proxy holder, or voting by mail.

This document shall be held at the disposal of the AMF. It may be viewed on the asset management company's website or at its registered office under the terms and conditions specified in the prospectus.

The asset management company complies with Article 37 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012.

Article 319-22

In a report drawn up within four months of the end of its financial year and appended to the management report of the board of directors or executive board, as the case may be, asset management companies shall report on how they have exercised voting rights in the past year. This report shall specify, inter alia:

1° The number of companies in which the asset management company exercised voting rights, compared with the total number of companies in which it had voting rights;

2° The cases in which the asset management company considered that it could not adhere to the principles set out in its "voting policy" document;

3° The conflicts of interest that the asset management company had to deal with in exercising voting rights attaching to securities held by the AIFs that it manages.

The report shall be held at the disposal of the AMF. It must be available for viewing on the asset management company's website or at its registered office under the terms and conditions specified in the prospectus.

Where an asset management company has not exercised any voting rights during the financial year, further to the voting policy it has drawn up under Article 319-21, it does not prepare the report referred to in this article but shall ensure that clients and investors can access said voting policy on its website.



Article 319-23

At the request of the AMF, asset management companies shall disclose to the AMF how they voted, or whether they abstained from voting, on each resolution and the reasons for those votes or abstentions. To any AIF unit or shareholder who so requests, asset management companies shall make disclosures available relating to the exercise of voting rights on each resolution submitted to the general meeting of an issuer, whenever the number of that issuer's securities held by the AIF managed by the asset management company reaches or exceeds the holding threshold specified in the voting policy document referred to in Article 319-21. These disclosures must be available for viewing at the registered office of the asset management company and on its website.

Article 319-24

In the annual reports of venture capital funds, specialised professional funds and professional venture capital funds, asset management companies shall report on their practice for the use of voting rights attaching to securities held in the funds.

The measures referred to in Articles 319-21 to 319-23 shall apply for securities held by venture capital funds, specialised professional funds and professional venture capital funds that are traded on a regulated market of a State that is a party to the European Economic Area agreement or on a recognised foreign market.

8.2. Article L233-3 of the French Commercial Code

I.- Any natural or legal person shall be deemed, for the purposes of sections 2 and 4 of this chapter, to be controlling another person:

1° Where it holds, directly or indirectly, a proportion of the share capital conferring on it the majority of voting rights at that company's general meetings;

2° Where it alone holds the majority of the voting rights in that company in accordance with an agreement entered into with other partners or shareholders which is not contrary to the interests of the company;

3° Where, due to the voting rights it holds, it has a de facto role in making the decisions at general meetings of that company;

4° Where it is a partner or shareholder in that company and has the power to appoint or dismiss the majority of members of that company's administrative, management or supervisory bodies.

II.-It is deemed to exercise such control where it holds, directly or indirectly, a proportion of the voting rights exceeding 40% and no other partner or shareholder holds a proportion in excess thereof either directly or indirectly.

III.-For the purposes of application of the same sections of this chapter, two or more persons acting together shall be deemed to be jointly controlling another person where they have a de facto role in making the decisions taken at general meetings.