

# CARMIGNAC GESTION

## REPORT ON ANNUAL PROXY VOTING PROCESS

**2019**

*Report issued on February 28, 2020*

## **INTRODUCTION**

This report is issued once a year within the four months following the financial year-end closing. It provides quantitative and key information on how voting rights were exercised over the past year.

It states the number of companies in which Carmignac Gestion (or “Carmignac” hereafter in the document”) exercised its voting rights compared with the total number of companies in which it held voting rights. It also describes, if relevant, cases in which Carmignac Gestion assessed it could not follow principles set out in the Carmignac Proxy Voting Policy. It also provides a synthetic view on meetings for which Carmignac Gestion did not vote in accordance with Management recommendation. Finally, it details, if relevant, potential conflicts of interest that Carmignac Gestion had to consider and manage, when exercising voting rights attached to shares held in portfolios, the company manages.

This report may be consulted upon request at Carmignac Gestion registered office.

## **SYNTHESIS OF PROXY VOTING POLICY PRINCIPLES**

Carmignac is supported by an external service provider, in the voting process coordination. This appointed service provider is one of the world leaders on the market, ISS Governance. By appointing an external service provider, Carmignac expects to leverage on ISS Governance expertise regarding the analysis performed on submitted resolution during corporate meetings.

Moreover, Carmignac is conscious of economic, social and environmental concerns that issuers will face in the future. This is the reason why Carmignac decided to leverage on the principles set in the « sustainability » policy defined by ISS Governance.

Carmignac also exercises the voting rights attached to the securities held by the UCI it manages on behalf of unit holders and/or shareholders where there is a risk of companies changing their strategy, which may be evidenced by:

- a risk of a change in the majority shareholder;
- a risk of a merger / acquisition;
- a risk of a change in the management team;
- a risk of restructuring, etc.

It is also important to remind that one of Carmignac main objectives is to establish a sustainable relationship with company's government. As a consequence, Carmignac decides to focus on meetings, where the consolidated position of securities held by the UCI it manages on behalf of unit holders and/or shareholders can be assessed as "significant".

- *Carmignac does not provide a systematic definition of significant position, since several factors may be taken into account, such as the total position held at group level or in a single portfolio. Nevertheless, as an example, the following criteria may be used:*
  - *The asset manager holds, via the portfolios it manages, a position which is above a certain threshold based on the capital of the issuer;*
  - *The position of a fund in a financial instrument is above a threshold vis-à-vis the global exposure of such fund.*

In addition, Carmignac decides to take part to the vote, when the management team are convinced by the issuer further perspectives and, by way of consequence, the issuer is included in the strategic plan implemented by management team. That's why Carmignac can also participate in the vote, even if the consolidated position held by companies is not assessed as "significant".

## **QUANTITATIVE & KEY INFORMATION ON THE 2019 PROXY VOTING PROCESS**

In 2019, Carmignac Gestion effectively used its voting rights and participate in 88 meetings (please refer to the name of companies listed below) when Carmignac Gestion got the ability to participate in the vote of a total of 162 meetings.

Carmignac Gestion participated in meetings and exercised his voting rights in accordance with principles set in its current proxy voting policy.

Moreover, it is important to specify that, in participating to vote in accordance with his proxy voting policy, Carmignac Gestion did not identify any potential conflicts of interest.

## LIST OF MEETINGS IN WHICH CARMIGNAC GESTION PARTICIPATED IN 2019

Tables below refer to the list of 88 meetings to which Carmignac Gestion participated in 2018 and to the detail of voted instructions:

ISS Meeting ID	Company Name	Meeting Date	Country	Number of portfolios	Total number of voted recommendation	Instruction different from Policy
1286986	Transmissora Alianca de Energia Eletrica SA	3-Jan-19	Brazil	3	6	
1287233	United Spirits Ltd.	18-Jan-19	India	3	15	
1289900	Transmissora Alianca de Energia Eletrica SA	25-Jan-19	Brazil	2	2	
1288807	Bharti Infratel Ltd.	2-Feb-19	India	3	3	
1292743	Midea Group Co. Ltd.	15-Feb-19	China	3	3	
1294792	Avivasa Emeklilik ve Hayat AS	4-Mar-19	Turkey	1	11	
1300230	Silicon Works Co., Ltd.	15-Mar-19	South Korea	1	7	
1296515	Samsung SDI Co., Ltd.	20-Mar-19	South Korea	3	12	
1299054	Samsung Electronics Co., Ltd.	20-Mar-19	South Korea	3	21	
1302686	Unifin Financiera SAB de CV SOFOM ENR	21-Mar-19	Mexico	1	10	
1302692	Unifin Financiera SAB de CV SOFOM ENR	21-Mar-19	Mexico	1	2	
1298761	Niyogin Fintech Ltd.	27-Mar-19	India	1	2	1
1300401	Innocean Worldwide, Inc.	27-Mar-19	South Korea	1	6	
1304309	Kangwon Land, Inc.	28-Mar-19	South Korea	3	33	
1292687	Goldcorp, Inc.	4-Apr-19	Canada	1	1	
1301869	Cia de Transmissao de Energia Eletrica Paulista	4-Apr-19	Brazil	2	6	
1312692	Terrafina	10-Apr-19	Mexico	1	11	
1295938	International Container Terminal Services, Inc.	11-Apr-19	Philippines	1	12	
1305379	Newmont Mining Corporation	11-Apr-19	USA	1	3	
1291990	Cielo SA	18-Apr-19	Brazil	2	18	
1296106	Africa Oil Corp.	18-Apr-19	Canada	1	10	
1309420	Cielo SA	18-Apr-19	Brazil	2	12	
1317178	Globaltrans Investment Plc	22-Apr-19	Cyprus	1	19	
1282164	Petroleum Geo-Services ASA	24-Apr-19	Norway	1	27	26
1303731	Moscow Exchange MICEX-RTS PJSC	25-Apr-19	Russia	2	50	
1308271	PT Astra International Tbk	25-Apr-19	Indonesia	3	15	
1312018	Loma Negra Compania Industrial Argentina SA	25-Apr-19	Argentina	2	28	
1317092	Zhengzhou Yutong Bus Co., Ltd.	25-Apr-19	China	3	36	
1296056	Agnico Eagle Mines Ltd.	26-Apr-19	Canada	1	13	
1308057	Grupo Supervielle SA	26-Apr-19	Argentina	2	26	
1316560	Transmissora Alianca de Energia Eletrica SA	29-Apr-19	Brazil	2	2	
1316909	Alupar Investimento SA	29-Apr-19	Brazil	1	3	
1317016	Alupar Investimento SA	29-Apr-19	Brazil	1	18	
1317629	Transmissora Alianca de Energia Eletrica SA	29-Apr-19	Brazil	2	78	
1292401	Philippine National Bank	30-Apr-19	Philippines	1	19	
1299558	The Weir Group Plc	30-Apr-19	United Kingdom	1	22	
1305396	Banco Macro SA	30-Apr-19	Argentina	2	58	
1315950	Grupo Financiero Banorte SAB de CV	30-Apr-19	Mexico	3	126	
1308326	PT Prodia Widyahusada Tbk	2-May-19	Indonesia	1	1	
1314403	PT Prodia Widyahusada Tbk	2-May-19	Indonesia	1	5	
1315001	Mueller Industries, Inc.	2-May-19	USA	1	12	
1296105	Ero Copper Corp.	7-May-19	Canada	1	8	
1297855	Wheaton Precious Metals Corp.	9-May-19	Canada	1	22	
1302239	Valeura Energy Inc.	9-May-19	Canada	1	7	

ISS Meeting ID	Company Name	Meeting Date	Country	Number of portfolios	Total number of voted recommendation	Instruction different from Policy
1280414	Tessengerlo Group NV	14-May-19	Belgium	1	9	
1323124	Tessengerlo Group NV	14-May-19	Belgium	1	2	
1316749	Tencent Holdings Limited	15-May-19	Cayman Islands	3	27	
1330461	Tencent Holdings Limited	15-May-19	Cayman Islands	3	3	
1317880	Carrizo Oil & Gas, Inc.	16-May-19	USA	1	11	
1323067	PT Indoceмент Tunggal Prakarsa Tbk	21-May-19	Indonesia	1	5	
1299154	Holcim Philippines, Inc.	24-May-19	Philippines	1	16	
1328828	Dali Foods Group Company Limited	29-May-19	Cayman Islands	3	45	
1334956	Grupo Financiero Banorte SAB de CV	30-May-19	Mexico	3	9	
1335194	Mail.ru Group Ltd.	31-May-19	Virgin Isl (UK)	1	9	
1324829	Newmont Mining Corporation	4-Jun-19	USA	1	14	
1303768	Chicony Electronics Co., Ltd.	5-Jun-19	Taiwan	1	18	
1334465	Wuxi Biologics (Cayman), Inc.	5-Jun-19	Cayman Islands	3	45	
1296901	Hochschild Mining Plc	6-Jun-19	United Kingdom	1	18	
1318039	Cemex Holdings Philippines, Inc.	6-Jun-19	Philippines	1	15	
1330952	MercadoLibre, Inc.	10-Jun-19	USA	3	18	
1299780	President Chain Store Corp.	12-Jun-19	Taiwan	1	7	
1334156	Delivery Hero SE	12-Jun-19	Germany	2	42	
1328383	ProPetro Holding Corp.	14-Jun-19	USA	1	15	
1315297	Primax Electronics Ltd.	18-Jun-19	Taiwan	1	9	
1344882	Chongqing Zhifei Biological Products Co., Ltd.	20-Jun-19	China	3	6	
1338087	GeoPark Limited	27-Jun-19	Bermuda	1	11	
1346677	Yandex NV	27-Jun-19	Netherlands	5	70	
1340924	CEMEX Latam Holdings SA	28-Jun-19	Spain	1	14	
1346153	Tessengerlo Group NV	10-Jul-19	Belgium	1	2	
1350256	Shree Cement Limited	9-Aug-19	India	3	30	
1354385	Transportadora de Gas del Sur SA	15-Aug-19	Argentina	2	6	
1353919	Axis Bank	21-Aug-19	India	3	3	
1354647	United Spirits Limited	21-Aug-19	India	3	24	
1334679	LIC Housing Finance Limited	28-Aug-19	India	1	10	
1334195	Dabur India Limited	30-Aug-19	India	3	48	
1354367	Safaricom Plc	30-Aug-19	Kenya	1	14	
1358246	Transmissora Alianca de Energia Eletrica SA	30-Aug-19	Brazil	2	2	
1357397	Niyogin Fintech Limited	17-Sep-19	India	1	3	
1360750	East African Breweries Ltd.	18-Sep-19	Kenya	1	13	
1362746	Globaltrans Investment Plc	20-Sep-19	Cyprus	2	2	
1362828	Cemex Holdings Philippines, Inc.	16-Oct-19	Philippines	1	2	
1364993	Fuyao Glass Industry Group Co., Ltd.	30-Oct-19	China	2	8	
1365125	Fuyao Glass Industry Group Co., Ltd.	30-Oct-19	China	4	16	
1371987	Shree Cement Limited	18-Nov-19	India	3	6	
1372171	Chongqing Zhifei Biological Products Co., Ltd.	18-Nov-19	China	5	35	
1371099	Moscow Exchange MICEX-RTS PJSC	21-Nov-19	Russia	2	8	
1370126	Carrizo Oil & Gas, Inc.	20-Dec-19	USA	1	3	
1383298	Global Ports Investments Plc	30-Dec-19	Cyprus	2	4	



## DETAILS OF INTRUCTIONS DIFFERENT FROM CARMIGNAC POLICY

Table below refers to the detail of Carmignac Gestion voting instructions that are different from Carmignac Policy. Those instructions are sorted by type of proposal.

<i>Company Name</i>	<i>Instruction different from CIS Guidelines</i>	<i>Rationale</i>
<b>Auditor Related</b>		
Petroleum Geo-Services ASA	1	Abstain from any vote for this recommendation
<b>Capitalization</b>		
Petroleum Geo-Services ASA	3	Abstain from any vote for this recommendation
<b>Company Articles</b>		
Petroleum Geo-Services ASA	1	Abstain from any vote for this recommendation
<b>Compensation</b>		
Petroleum Geo-Services ASA	6	Abstain from any vote for this recommendation
<b>Director Election</b>		
Petroleum Geo-Services ASA	5	Abstain from any vote for this recommendation
<b>Director Related</b>		
Petroleum Geo-Services ASA	6	Abstain from any vote for this recommendation
<b>Routine Business</b>		
Petroleum Geo-Services ASA	4	Abstain from any vote for this recommendation
<b>Strategic Transactions</b>		
Niyogin Fintech Ltd.	1	Vote in accordance with management recommendation
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## **DETAILS OF INTRUCTIONS DIFFERENT FROM MANAGEMENT RECOMMENDATIONS**

*Table below refers to the detail of Carmignac Gestion voting instructions that are different from Company Management recommendations. Those instructions are sorted by type of proposal*



<i>Company Name</i>	<i>Instruction different from Management Recommendation</i>	<i>Rationale</i>
<b>Auditor Related</b>		
CEMEX Latam Holdings SA	1	Vote in accordance with Carmignac Policy
Petroleum Geo-Services ASA	1	Abstain from any vote for this recommendation
<b>Capitalization</b>		
Dali Foods Group Company Lim	6	Vote in accordance with Carmignac Policy
Delivery Hero SE	4	Vote in accordance with Carmignac Policy
Petroleum Geo-Services ASA	3	Vote in accordance with Carmignac Policy
Tencent Holdings Limited	6	Vote in accordance with Carmignac Policy
Unifin Financiera SAB de CV SOF	1	Vote in accordance with Carmignac Policy
Wuxi Biologics (Cayman), Inc.	6	Vote in accordance with Carmignac Policy
Yandex NV	12	Vote in accordance with Carmignac Policy
<b>Company Articles</b>		
Cemex Holdings Philippines, In	3	Vote in accordance with Carmignac Policy
Petroleum Geo-Services ASA	1	Abstain from any vote for this recommendation
PT Astra International Tbk	3	Vote in accordance with Carmignac Policy
Tessengerlo Group NV	1	Vote in accordance with Carmignac Policy
<b>Compensation</b>		
Alupar Investimento SA	1	Vote in accordance with Carmignac Policy
Carrizo Oil & Gas, Inc.	2	Vote in accordance with Carmignac Policy
CEMEX Latam Holdings SA	1	Vote in accordance with Carmignac Policy
Cielo SA	4	Vote in accordance with Carmignac Policy
Kangwon Land, Inc.	3	Vote in accordance with Carmignac Policy
Petroleum Geo-Services ASA	6	Abstain from any vote for this recommendation
Shree Cement Limited	3	Vote in accordance with Carmignac Policy
Silicon Works Co., Ltd.	1	Vote in accordance with Carmignac Policy
Tencent Holdings Limited	3	Vote in accordance with Carmignac Policy
United Spirits Ltd.	12	Vote in accordance with Carmignac Policy
Wuxi Biologics (Cayman), Inc.	18	Vote in accordance with Carmignac Policy
Yandex NV	4	Vote in accordance with Carmignac Policy
<b>Director Election</b>		
Alupar Investimento SA	8	Vote in accordance with Carmignac Policy
Banco Macro SA	2	Vote in accordance with Carmignac Policy
Cielo SA	6	Vote in accordance with Carmignac Policy
Ero Copper Corp.	1	Vote in accordance with Carmignac Policy
GeoPark Limited	4	Vote in accordance with Carmignac Policy
Globaltrans Investment Plc	11	Vote in accordance with Carmignac Policy
Hochschild Mining Plc	1	Vote in accordance with Carmignac Policy
Holcim Philippines, Inc.	6	Vote in accordance with Carmignac Policy
International Container Termin	1	Vote in accordance with Carmignac Policy
Kangwon Land, Inc.	6	Vote in accordance with Carmignac Policy
Mail.ru Group Ltd.	2	Vote in accordance with Carmignac Policy
MercadoLibre, Inc.	3	Vote in accordance with Carmignac Policy
Moscow Exchange MICEX-RTS PJSC	24	Vote in accordance with Carmignac Policy
Niyogin Fintech Limited	1	Vote in accordance with Carmignac Policy
Petroleum Geo-Services ASA	5	Abstain from any vote for this recommendation
Philippine National Bank	1	Vote in accordance with Carmignac Policy
ProPetro Holding Corp.	1	Vote in accordance with Carmignac Policy
Samsung Electronics Co., Ltd.	3	Vote in accordance with Carmignac Policy
Shree Cement Limited	3	Vote in accordance with Carmignac Policy
The Weir Group Plc	1	Vote in accordance with Carmignac Policy
Transmissora Alianca de Energi	26	Vote in accordance with Carmignac Policy
United Spirits Limited	3	Vote in accordance with Carmignac Policy
Yandex NV	12	Vote in accordance with Carmignac Policy

<i>Company Name</i>	<i>Instruction different from Management Recommendation</i>	<i>Rationale</i>
<b>Director Related</b>		
Alupar Investimento SA	7	Vote in accordance with Carmignac Policy
Banco Macro SA	2	Vote in accordance with Carmignac Policy
Cia de Transmissao de Energia	2	Vote in accordance with Carmignac Policy
Kangwon Land, Inc.	6	Vote in accordance with Carmignac Policy
Petroleum Geo-Services ASA	6	Abstain from any vote for this recommendation
PT Astra International Tbk	3	Vote in accordance with Carmignac Policy
Samsung Electronics Co., Ltd.	3	Vote in accordance with Carmignac Policy
Transmissora Alianca de Energi	10	Vote in accordance with Carmignac Policy
<b>Non-Routine Business</b>		
Avivasa Emeklilik ve Hayat AS	1	Vote in accordance with Carmignac Policy
Zhengzhou Yutong Bus Co., Ltd.	6	Vote in accordance with Carmignac Policy
<b>Routine Business</b>		
Alupar Investimento SA	2	Vote in accordance with Carmignac Policy
Banco Macro SA	2	Vote in accordance with Carmignac Policy
Cia de Transmissao de Energia	1	Vote in accordance with Carmignac Policy
Kangwon Land, Inc.	1	Vote in accordance with Carmignac Policy
Petroleum Geo-Services ASA	4	Abstain from any vote for this recommendation
PT Astra International Tbk	1	Vote in accordance with Carmignac Policy
Samsung Electronics Co., Ltd.	1	Vote in accordance with Carmignac Policy
Transmissora Alianca de Energi	1	Vote in accordance with Carmignac Policy
<b>Shareholder - Audit Related</b>		
Cia de Transmissao de Energia	2	Vote in accordance with Carmignac Policy
Transmissora Alianca de Energi	4	Vote in accordance with Carmignac Policy
<b>Shareholder - Director Election</b>		
Cia de Transmissao de Energia	2	Vote in accordance with Carmignac Policy
<b>Strategic Transactions</b>		
Zhengzhou Yutong Bus Co., Ltd.	3	Vote in accordance with Carmignac Policy

## DETAILS OF INTRUCTIONS IDENTIFIED AS « SOCIAL»

Table below refers to the detail of Carmignac Gestion voting instructions that have been identified as “social” (proposal that made in accordance with a “social” purpose). Those instructions are sorted by type of proposal.

Company Name	Instruction on a recommendation flagged as "social"	Rationale
<b>Non-Routine Business</b>		
Avivasa Emeklilik ve Hayat AS	2	Vote in accordance with Carmignac Policy
	2	

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