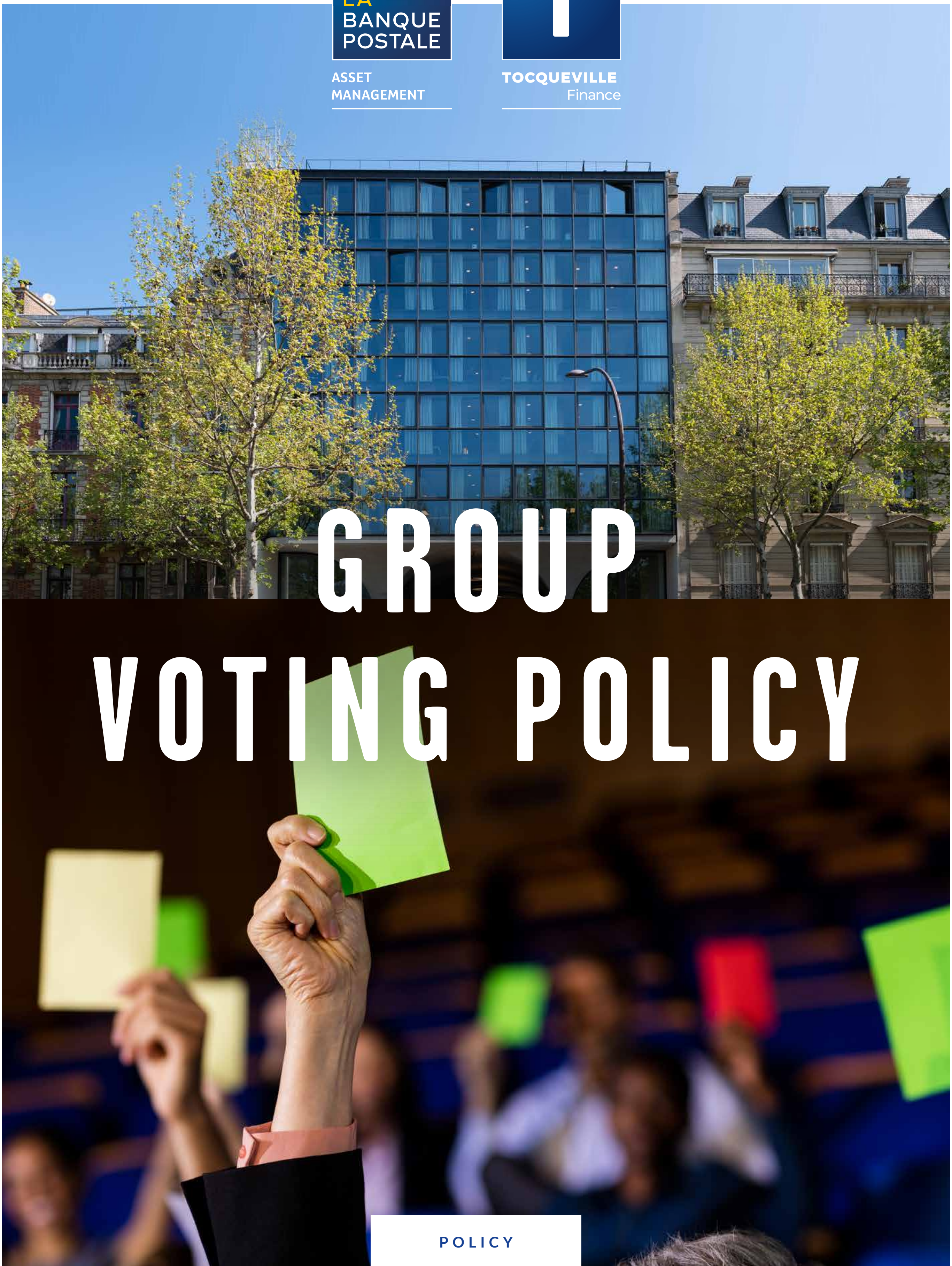
LA BANQUE POSTALE
ASSET MANAGEMENT

TOCQUEVILLE
Finance



GROUP VOTING POLICY

POLICY

MARCH 2023

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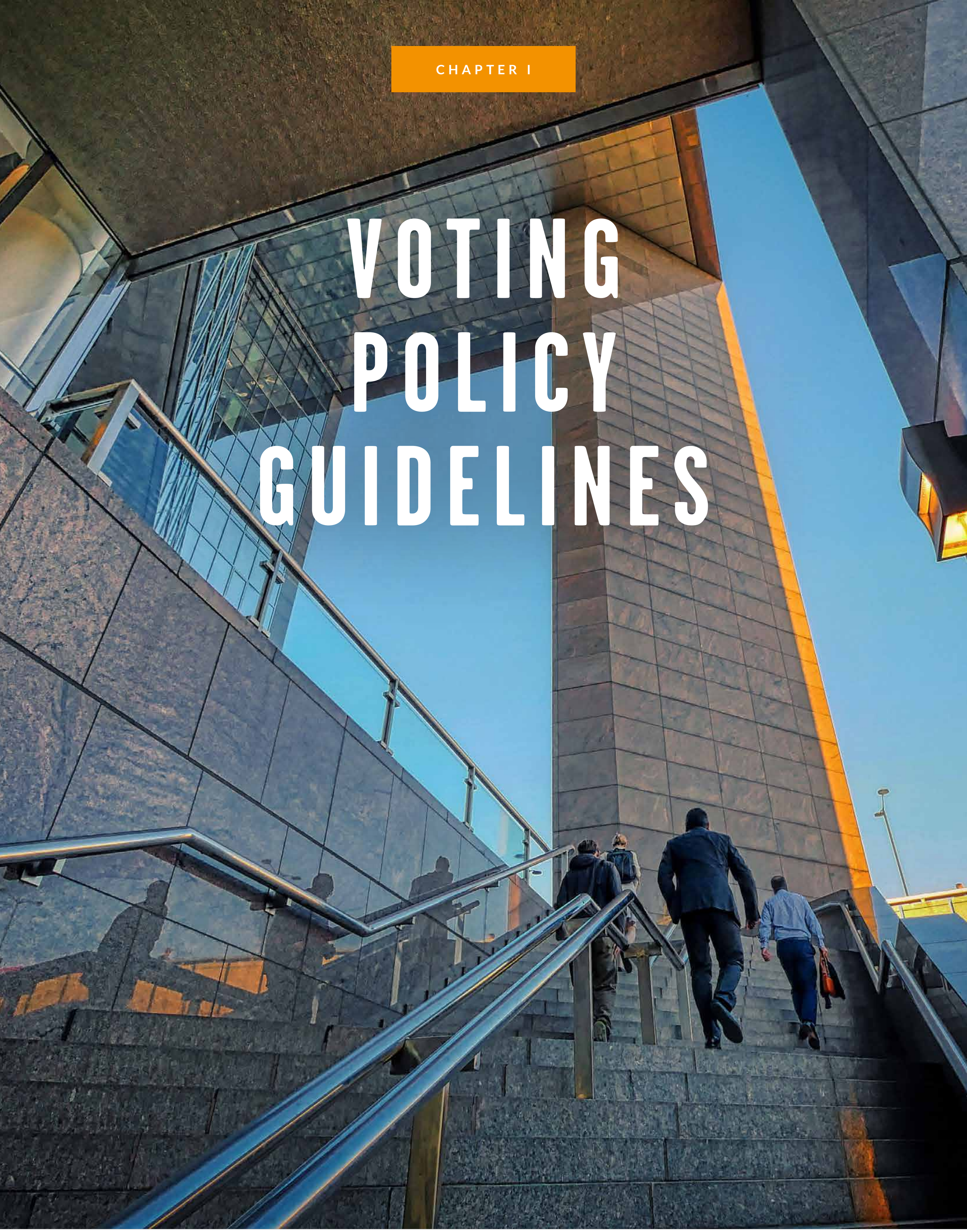
CHAPTER I

VOTING POLICY GUIDELINES



FOREWORD

Pursuant to the legislative and regulatory provisions of Book V of the Monetary and Financial Code, **La Banque Postale Asset Management (LBP AM) and its subsidiary Tocqueville Finance SA (TFSA) have since 2008 formalized a voting policy** which sets out the scope and procedure for voting at general meetings of shareholders, as well as the criteria according to which resolutions put to a vote by the shareholders are approved or rejected.

The principles of this policy are intended to be applied independently to each of the two management companies of the LBP AM Group. TFSA has entrusted LBP AM with the implementation of the voting policy on behalf of its UCIs.

The policy of LBP AM and TFSA **is applied in an identical manner to all the UCIs** within their own scope.

LBP AM/TFSA have defined voting principles applicable to all companies for which it exercises voting rights. It nonetheless **takes into consideration the characteristics of each company before voting.** Certain voting criteria have therefore been adapted for small and mid-cap companies or to local market practices.

The voting criteria take into account in particular the recommendations on corporate governance issued by the Association Française de la Gestion Financière (AFG) [French Association of Financial Management] and the corporate governance code drawn up jointly by the Association Française des Entreprises Privées (AFEP) [French Association of Private Companies] and the Mouvement des Entreprises de France (MEDEF) [Movement of French Enterprises].

The exercise of voting rights enables LBP AM Group to engage in a dialogue with the companies invests on behalf of the UCIs managed, without however exercising a significant influence on the management of those companies.

Consideration of the principal adverse impacts of investment decisions on sustainability factors through the exercise of voting rights

As a responsible investor, **the LBP AM Group pays particular attention to identifying and keeping under control the main principal adverse impacts of its investments on sustainability factors.** The LBP AM Group's voting policy thus aspires to limiting the negative impacts of the companies it invests in.

The voting policy of LBP AM and TFSA relies on their SRI philosophy, known as the "GREaT philosophy", which is based on the following four areas of analysis:

- **responsible governance;**
- **sustainable management of human and natural resources;**
- **energy transition; and**
- **territorial development.**

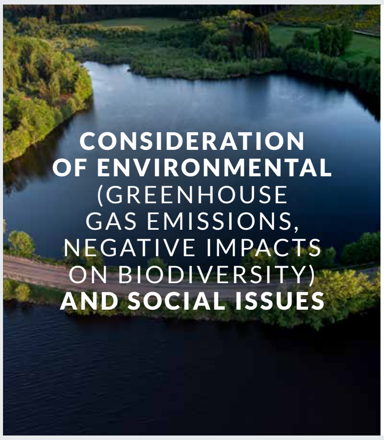
Against this backdrop, the voting policy of LBP AM and TFSA promotes the implementation of **best practices in terms of corporate governance and business ethics and encourages the consideration of environmental and social issues in companies.**

The exercise of voting rights is fully in line with commitment strategy of LBP AM and TFSA and can constitute a lever for formalising the expression of its shareholder expectations.

LBP AM/TFSA can therefore support resolutions not approved by the Board, whose implementation, it believes, is likely to contribute to an improvement in Environmental, Social or Governance (ESG) practices of the company, including by participating in their submission to the agenda.

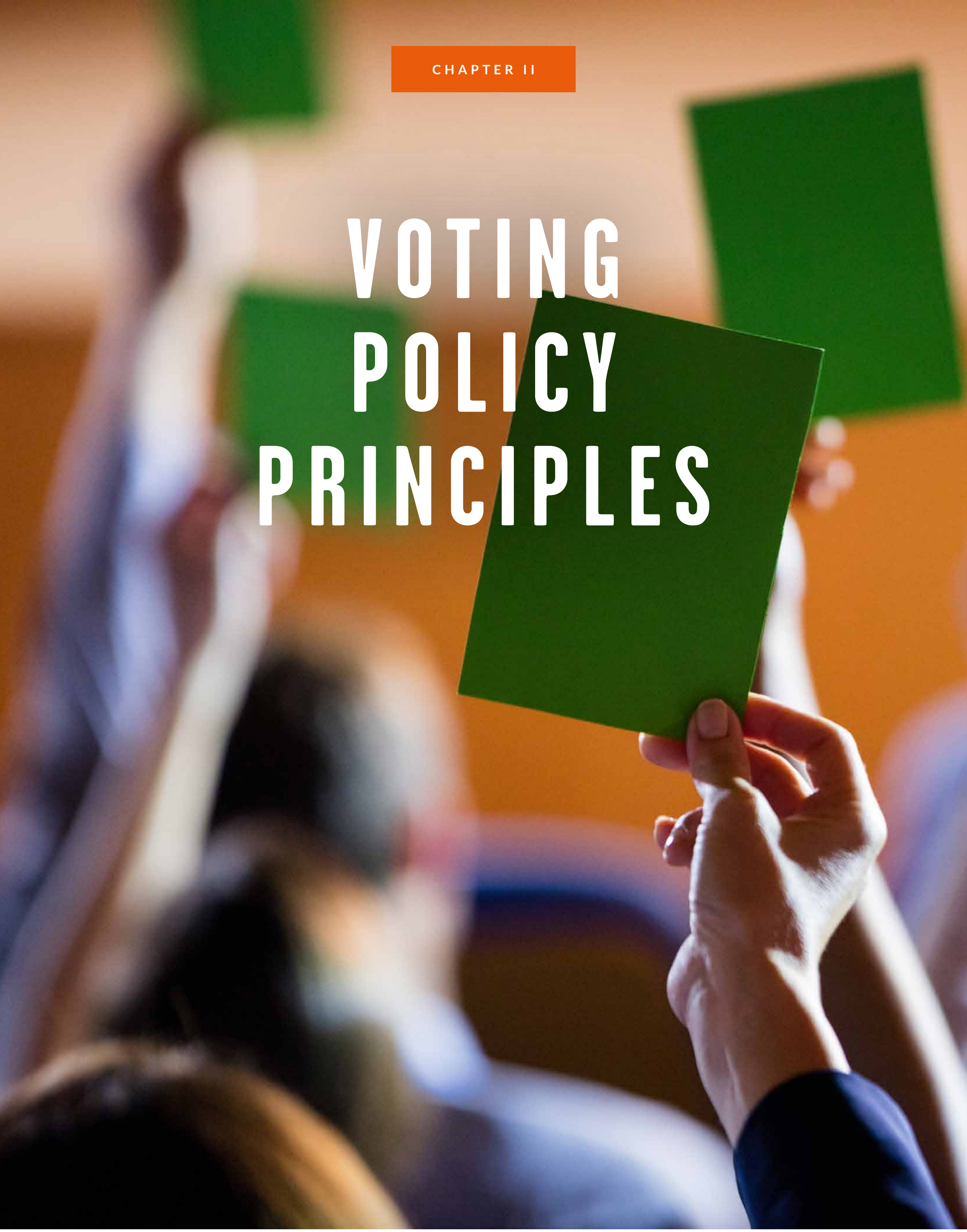
The following table summarizes the various elements of LBP AM Group voting policy with regard to the principles of the GREaT philosophy. The elements mentioned are described in greater detail further on in the document.

VOTING POLICY

PRINCIPLES ESPOUSED BY THE GREaT PHILOSOPHY	ENSHRINEMENT IN THE VOTING POLICY
	• **Voting principles on environmental resolutions,** known as “say-on-climate” / “say-on-nature”, that encourage companies to put their environmental strategy to a shareholder vote • **Environmental and social accountability principle** of board members • **Support for shareholder resolutions** that have a positive environmental or social impact • **Opposition to certain resolutions** put to shareholder vote in case of significant environmental and/or social controversies • **Co-filing of shareholder resolutions** on environmental, social or governance issues
	• **Voting principle for diversity** in the composition of board of directors (experience, nationalities, gender balance, employee and civil society representation, ethnicity etc.) and management bodies • **Opposition to the election of male candidates** when women account for less than 40% of the board
	• **Attention to cash allocation choices,** in particular through the amounts dedicated for dividends and share buybacks • **Opposition to shareholder remuneration through dividends** when there are concerns about the company's capacity to invest and grow over the long term
	• **Moderation:** ceiling set at 240 times the median salary in the country of the company's headquarters • **Long-term orientation for LTIPs;** at least 3 years • **Integration of CSR criteria** in variable compensation • **Support publication of equity ratios**
	• **Support for employee share ownership schemes** • **Support for the election of employee representatives** to the board of directors and remuneration committees

CHAPTER II

VOTING POLICY PRINCIPLES



1. General voting principles

LBP AM/TFSA consider that transparent communication to shareholders is the foundation of good corporate governance. In order to encourage this practice, therefore LBP AM/TFSA votes against any resolution for which the information provided does not make it possible to get a fair and precise idea of the decision to be taken according to the principles of its voting policy.

LBP AM/TFSA are opposed to resolutions that include several options: resolutions should ask only one question requiring a single answer. However, if within a multiple resolution LBP AM/TFSA was in favour of all the questions asked, then the final vote is in favour.

2. Approval of the accounts and management, allocation of income

2.1. Approval of the accounts

Stakeholders can avail themselves of the annual accounts to keep track of the financial statements and to stay abreast of the strategic orientations of the companies. **LBP AM/TFSA encourage companies to provide quality, exhaustive and transparent information in order to gain the confidence of investors.**

LBP AM/TFSA vote in favour of resolutions in this area, unless:

- **A member of the executive team** sits on the audit committee,
- **The company's auditors have expressed concerns,** or their report has not been made public.

2.2. Discharge (from liability)

In theory, LBP AM/TFSA approve requests of discharge from liability for board members and executive directors.

LBP AM/TFSA may, however, object to such requests when they wish to express a disagreement with the company's management or governance practices.

Significant environmental, social and governance issues for which the company has not provided a convincing answer may also lead to a refusal of discharge. The reason for the objection is made clear to the companies in such cases. LBP AM/TFSA may also reject the appointment of one or more board members if they are found to share in the responsibility for such issues.

2.3. Allocation of income and distribution of the dividend

The allocation of income – and the remuneration of shareholders – must not be to the detriment of the company's financial strength, the investment needs for its long-term development and the remuneration of all stakeholders.

LBP AM/TFSA vote in favour of paying out a dividend in shares, provided that the discount is less than 10% and that shareholders can opt for a cash payment.

3. Capital transactions

3.1. Capital increases

The highest level of transparency is expected on the conditions and reasons for resolutions submitted to increase the capital, in particular when they provide for the cancellation of the preemptive right. Precautions are necessary as shareholders are forced to undergo a dilution of their holding.

LBP AM/TFSA accept capital increases under certain conditions:

- They do not run for too long (maximum 5 years);
- They are not carried out through the issue of preference shares;
- They may not take place during a public tender period;
- They comply with the ceilings indicated below:
    - **With preemptive rights**

      FOR an increase of up to **50%** of the existing capital
    - **Without preemptive rights**

      FOR an increase of up to **10%** of the capital

      FOR an increase of up to **20% of the capital when the interest of existing shareholders is preserved** through compliance with a minimum 5-day priority period

      AGAINST private placements, a method of capital increase which seems particularly unfavourable to the interests of shareholders

Exceptions :

- *LBP AM/TFSA may support operations that are not in line with the above principles, when the company can justify particular situations and when their future implementation is specified and reasonable.*
- *The ceilings mentioned above may be raised in countries which apply different market standards or for small and mid caps.*
- *Capital increases during a public tender period may in some cases be considered as a means of negotiating a valuation of the bid, in the interest of the shareholders. LBP AM/TFSA may approve this type of transaction only if the shareholders are aware of the terms thereof and of the intentions of the company that initiated it.*

3.2. Share buybacks

Share buybacks can be used to improve liquidity in the market or to implement incentive plans without diluting existing shareholders. LBP AM/TFSA would like share buybacks to comply with certain conditions:

- **The authorization must be limited to 10% of the capital,** unless there is a reasoned exception.
- **The company's holding of its own shares is limited to 10% of the capital.**
- **The authorization period is limited to 18 months,** except in countries where a longer period is commonly accepted.
- **Buy-back programmes may not be used as an anti-takeover device.**

Moreover, the purpose of the buyback should not be to cancel shares if the company's financial situation does not allow it (e.g. limited cash flow, significant debt), or if this transaction would impair its ability to create value in the long term.

3.3. Mergers and acquisitions

LBP AM/TFSA will vote on mergers and acquisitions on a case-by-case basis, depending on their strategic and financial interest and on the consequences of the transaction on environmental, social and governance stakes.

In order to strengthen the rights of the shareholders, LBP AM/TFSA would like acquisitions or disposals of assets of a significant and/or strategic nature to be **put to a prior vote by the shareholders.**

4. Election of members of the board of directors or of the supervisory board

4.1. Operation of the board of directors or of the supervisory board

The balance of powers is one of the fundamental principles of good governance.

LBP AM/TFSA encourage companies to put in place competent and independent checks and balances so as to ensure effective management control and to create the conditions for long-term performance.

Separation of powers

There are two main governance models: a dual structure (with a supervisory board and a management board) where the management and supervisory duties are necessarily separate, and a monistic structure (with a board of directors) where the functions of the chairman of the board and the chief executive officer may or may not be separate.

LBP AM/TFSA do not favour one governance model over the other but ensure the balance of power. Where management and supervisory functions are combined, LBP AM/TFSA are particularly attentive to the guarantees provided to shareholders to prevent the solitary exercise of power and to ensure that the Board is an effective forum for debate and control: **a level of independence in line with our expectations (at least 33% or 50% depending on the company), committees in line with our expectations in terms of independence (at least 50% or 66% depending on the committee),** appointment of a lead director or vice-chairman who is independent, organization of "executive sessions" (with no executives in attendance), etc.

In banking, given the particularities of the sector, LBP AM/TFSA systematically vote against the election of a CEO.

In the event of a separation of functions, it is recommended that the non-executive chairman not be the former executive of the company, otherwise a transition period limited to two years should apply.

Reasonable size of the board

In order to ensure good conditions for discussions, LBP AM/TFSA vote against resolutions proposing to reduce the size of the board to fewer than 5 seats or to increase it above 15 seats. Where the Board is already large (above 16 members), LBP AM/TFSA are likely to vote against new appointments if a commitment to reduce the size has not been undertaken.

Ethics

LBP AM/TFSA may oppose the election of candidates who have shown a lack of compliance with their duties on boards or committees on which they sit.

If a resolution is rejected, or if there is a significant challenge, LBP AM/TFSA expect an appropriate response from the board. If the opinion of the shareholders turned out to be disregarded, LBP AM/TFSA could vote against the re-election of certain board members.

Environmental and social responsibility of the members of the board

LBP AM and TFSA are committed to having a 90% allocation by 2030 aligned with attaining the target of Net Zero by 2050. They have also made commitments on biodiversity, in line with which they reserve the right to vote against a director if the company's environmental ambitions are not deemed to be sufficiently aligned with their climate and biodiversity policy objectives.

4.2. Composition of the board of directors or of the supervisory board

Quality of information available to shareholders

It is important that shareholders have information so as to be able to assess the candidacy of each member (experience, core activity, independence, reasons for candidacy).

Shareholders should be able to express their views on appointments and reappointments on an individual basis. However, LBP AM/TFSA will vote in favour of a collective application when each proposed candidate meets the criteria set out elsewhere in the policy.

Term of office of directors

LBP AM/TFSA are in favour of terms of office of up to four years, so that shareholders can express their views on the composition of the board regularly.

LBP AM/TFSA recommend the same practices as for large caps, but will vote against terms of office in small and medium-sized companies only when they **exceed 5 years.**

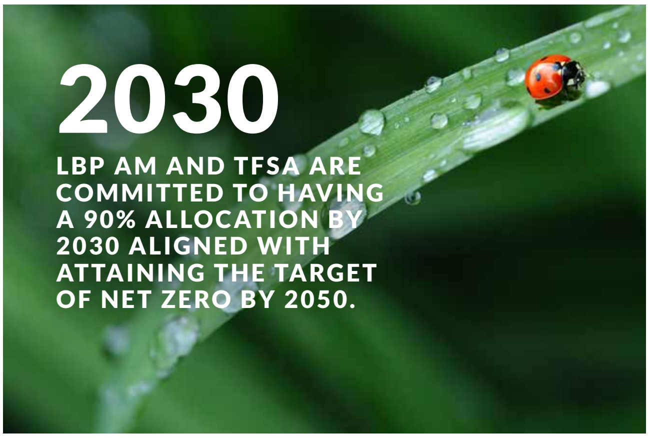
Availability of directors

LBP AM/TFSA want to make sure that board members are sufficiently available to prepare the work and participate in the meetings of the board and its committees. They are therefore not in favour of appointing candidates with too many other concurrent terms of office in listed companies of different groups.

The ceilings are as follows:

- **4 concurrent terms** of office for "ordinary" functions
- **3 concurrent terms** of office when the candidate chairs a board or an audit committee because of the significant involvement required by such functions
- **2 concurrent terms** of office when the candidate has a management role in a listed company.

Limiting the number of concurrent terms of office to a reasonable number also means that boards can be open to a greater diversity of profiles and individuals.



LBP AM/TFSA moreover take into account the attendance of board members when it is time for their re-appointment, and may object if their attendance rate at meetings **during the previous term has been less than 75%**.

LBP AM/TFSA encourage boards to include, in their assessment of the availability of potential candidates, non-voting directorships and concurrent terms of office in unlisted companies.

Independence

The board, which is accountable to the shareholders, must therefore be an active, independent and competent body. LBP AM/TFSA therefore favour the appointment of independent members.

PROPORTION OF INDEPENDENT MEMBERS ON THE BOARD

LBP AM/TFSA want at least 33% of the board members to be considered independent for controlled companies, and **at least 50% for non-controlled companies.** (A company is considered to be controlled when a shareholder or group of shareholders owns at least 50% of the capital or voting rights).

The independence rate is calculated in relation to the board members who are elected by the shareholders, without taking the representatives of the employee shareholders into account.

As an exception, LBP AM/TFSA would like at least 33% of the board members to be considered independent in the case of small and mid caps.

DIRECTOR INDEPENDENCE CRITERIA

To qualify as independent, a director or a member of the supervisory board must not be in a situation of potential conflict of interest. Thus, he or she should not:

- **Be an employee or executive director of the company or of a company in its group,** nor have been one in the last five years;
- **Be an employee, corporate officer or representative of a significant shareholder of the company or of a company in its group;**
- **Have a personal connection** (family, business relationship) **with one of the founders, managers, former managers or significant shareholders of the company ;**
- **Be an employee or corporate officer of a significant and usual commercial, banking or financial partner of the company or of a company in its group** (e.g. customer, supplier, banker, creditor);
- **Have been an auditor of the company** during the previous five years;
- **Be a member of the board of directors or of the supervisory board of the company for more than 12 years;**
- **Be appointed as a representative of the State;**

A board member should not receive remuneration for services from the company or its subsidiaries in order to avoid conflicts of interest.

PARTICULAR FEATURE FOR THE LIST VOTING SYSTEM (SPECIFIC CASE IN ITALY)

The "voto di lista" system implies that at least two lists of candidates for the board are put to the vote, one presented by the majority shareholders and the other by the minority shareholders. In order to promote independence and insofar as all the nominated candidates meet the criteria set out elsewhere (ethics, availability, etc.), LBP AM/TFSA vote in favour of the list of the minority shareholders.

Competencies of the directors

The Board of Directors is able to serve the interests of the shareholders optimally when it includes directors with a variety of skills, knowledge and experience adapted to the needs of the business activities. Its members should have analytical and strategic skills as well as an understanding of the environment and markets in which the company operates.

- **LBP AM/TFSA encourage companies to publish a list of the individual competencies of their directors**
- **LBP AM/TFSA recommend regular dedicated training** on topics relevant to the company and reporting on the content of the training
- **LBP AM/TFSA encourage companies to publish the expected requirements of board's committees** and to be transparent about the selection process of future directors in this respect.
- LBP AM/TFSA believe that it is fundamental **in companies with high sustainability risks and/or high environmental pressures,** that the board be equipped with the right skills to understand and manage these risks. LBP AM/TFSA therefore encourage companies to publish the competencies of their directors in this area and to provide training on these essential issues.

Diversity in the board

The complementary nature of the skills and knowledge that directors have of sectors and markets is an essential prerequisite. LBP AM/TFSA encourage greater diversity in the composition of the boards (experience, nationalities, gender balance, ethnicity, representation of employees and civil society, etc.) so as to enrich the quality of the discussions and have different opinions expressed.

- **LBP AM/TFSA support the feminization of governance bodies** and encourage gender balance on boards of directors and management bodies. They vote against the election or re-election of a candidate if he is a man and the representation of women on the board is below 40%, or vice versa.
- **Furthermore, LBP AM/TFSA oppose the election or re-election of a candidate aged 70 or over,** if one third or more of the board members are over 70.
- **LBP AM/TFSA also encourage diversity in terms of background and ethnicity.** In markets that so permit, LBP AM/TFSA may consider voting against a director proposal if the resulting ethnic representation is deemed insufficient in that market.

Members representing employees

LBP AM/TFSA welcomes the presence of employee or employee shareholder representatives on the board. If more than one candidate is nominated for a single seat, LBP AM/TFSA favour the person who best represents the company's employees, as far as can be known from detailed information available. Otherwise, LBP AM/TFSA will vote for all candidates.

Censor members

Censor members sit on the Board in the same way as the ordinary members, but without being able to take part in the decision-making process. LBP AM/TFSA believe that the appointment of non-voting members may create confusion and disrupt the functioning of the Board. **They should therefore remain exceptional or temporary.**

4.3. Specialized committees

LBP AM/TFSA recommend that companies set up audit, remuneration and nomination committees, whose tasks should be defined in the internal rules of procedure.

These committees should be chaired by an independent member and be composed of at least 50% independent members (remuneration and nomination committees), and 66% (audit committee). LBP AM/TFSA vote against the appointment of a non-independent candidate if these levels of independence are not met, and are not in favour of executives sitting in these committees.

Furthermore, LBP AM/TFSA vote against the chairman of the remuneration committee if the remuneration policy for executives does not comply with the principles set by LBP AM/TFSA. LBP AM/TFSA also recommend that a director representing employees be appointed to the remuneration committee.

As Corporate Social Responsibility (CSR) issues are becoming strategic, LBP AM/TFSA are in favour of having them dealt with at the highest level by the boards through ad hoc expertise, specific meetings or a dedicated CSR committee. If such a committee is not set up, the appointment of a CSR specialist from among the directors is recommended.

LBP AM/TFSA recommend that companies publish information to shed light on the role of the audit committee in preparing non-financial information.

4.4. Consideration of specific features

LBP AM/TFSA take into account the specific features of companies (size, shareholder composition, family or non-family nature) when applying the voting principles on elections. For example, the appointment of a candidate may be supported if he or she has a particular legitimate reason for sitting on the board (e.g.: manager, member of the founding family, reference shareholder, etc.) within acceptable limits as regards the board's need for independence.

5.
Remuneration of executive and non-executive directors

5.1. Remuneration of executive directors

The remuneration policy for executives must be transparent, balanced, linked to the creation of (financial and extra-financial) value over the long term and respectful of social cohesion.

LBP AM/TFSA examine the proposals made by the board of directors or supervisory board concerning the approval of remuneration reports and policies on a case by case basis. In general, LBP AM/TFSA vote against the proposals if the remuneration deviates from the principles defined below.

Transparency

The remuneration policy provides ex-ante transparency on the remuneration structure (fixed, short-term/long-term variable), the performance criteria chosen (which must be enforceable), their respective weights and scales and the identified peer group.

The remuneration report provides ex-post information on the link between performance, value creation for all stakeholders and the remuneration received. The level of achievement of the qualitative criteria attached to the variable remuneration should be sufficiently transparent so that a judgement can be made on the relevance of the criterion and the award.

Exceptional compensation items should be explained in detail as and where appropriate.

Small and mid caps do not necessarily have the same means and resources as large caps to formalize their remuneration policy. For such companies, LBP AM/TFSA consider that it is nevertheless essential to know:

- **Ex ante, the ceiling for the annual bonus** as well as the criteria for variable remuneration, in the short and long term,
- **Ex post, the figures** on the various components of the remuneration.

Balance

LBP AM/TFSA recommend that the remuneration structure should be properly calibrated between the fixed and variable parts, and between the short and long term. LBP AM therefore recommend that:

- **The fixed component** should be in line with the practices of the country and sector of the company. Decisions to increase the fixed component should be justified and should take into account the mechanical upward impact on other remuneration elements
- **Long-term remuneration** should be based on **at least 3 years of performance**

- **The variable component** should not represent too large a percentage of total remuneration, given the complexity of measuring performance in the broadest sense (choice of metrics, target setting, rigour of measurement, etc.)
- **The short-term bonus** should not account for a greater remuneration opportunity than that linked to the long-term variable elements.

Link with long-term financial and extra-financial value creation

Performance criteria should be linked to the company's long-term strategy, and the targets should reflect real progress in relation to the company's situation and peers. Scales should be sufficiently demanding so as to avoid any possibility of compensation in case of underperformance.

LBP AM/TFSA encourage companies to adopt various criteria: financial, operational and extra-financial.

LBP AM/TFSA recommend the use of extra-financial criteria to assess the performance of executives and to determine their variable remuneration, both in the short and long term. These criteria may be specific to each company, depending on its particular features and sector. For example, indicators linked to the energy transition are necessary in sectors with highly intensive greenhouse gas emissions. LBP AM/TFSA want the extra-financial criteria used to be transparent and relevant to the ESG issues of emitters.

LBP AM/TFSA reject a significant increase in management remuneration if a major restructuring is underway or was completed in the past year. Efforts must be shared by all stakeholders, and the Board must avoid sending contradictory messages that could harm the social climate and employee motivation.

Social cohesion

The remuneration structure must be able to attract competent managers, but also be respectful of social cohesion. To this end, LBP AM/TFSA encourage companies to publish a pay ratio, which compares the development of executive remuneration to that of employees. In countries where this ratio is mandatory, LBP AM/TFSA expect it to be calculated on a relevant scope that reflects the company's workforce.

LBP AM/TFSA pay particular attention to the total amount of compensation. They may object when this amount exceeds:

- **For large caps, 240 times the median salary** of the country where the company has its registered office (this cap is intended to prevent an executive from earning in one day what an employee earns in one year, given that there are approximately 240 working days per year)
- **For small and mid caps, 50 times the median salary** of the country where the company has its registered office (this cap is intended to prevent a manager from earning in one week what an employee earns in one year).

Other commitments made by companies to executives

SEVERANCE PAY

A corporate officer leaving the company on his or her own initiative may not be entitled to severance pay.

LBP AM/TFSA would like the amount of severance pay to take into account the length of time the executives have been with the company and the contribution they made during their tenure.

No indemnity should be provided if the executive's remuneration during his or her term of office exceeds the socially acceptable ceiling set by LBP AM/TFSA (240 or 50 times the national median wage). In such a case, the remuneration can already be considered to include the risk of interruption of the appointment at any time.

LBP AM/TFSA would like to see the unvested payments cancelled if the executive leaves the company, unless the departure is forced and subject to compliance with the performance conditions (in such a situation, a prorated reduction in the number of instruments is necessary)

NON-COMPETITION INDEMNITIES

LBP AM/TFSA would like the non-competition clause to be precise (duration of application, tasks and entities concerned, etc.). The company should explain the value of this clause for its business activity.

The amount of the potential indemnity should be consistent with its period of application.

The payment of a non-competition indemnity is excluded when the executive is entitled to retirement or is over 65 years old.

COMMON RULES FOR SEVERANCE PAY AND NON-COMPETITION PAYMENTS

The indemnities should in no case exceed twice the annual (fixed and variable) **remuneration.**

SUPPLEMENTARY PENSION

The implementation of a supplementary pension seems understandable in order to attract and retain executives when it corresponds to a common practice in a sector, provided that it is strictly regulated.

LBP AM/TFSA study this type of agreement in particular according to the following criteria: seniority of the executive, presence in the company at the time of retirement, reasonable progression of potential rights, capping of the annuity paid to the beneficiaries, the need for a group significantly larger than the executives to be potential beneficiaries, setting of a multi-year reference period representative of the average remuneration received by the beneficiaries throughout their tenure.

LBP AM/TFSA assess the relevance of the estimated annual annuity by comparing it with the average (fixed and variable) remuneration of the last three years.
They have not defined a strict limit, but refer to the recommendations of Proxinvest (or equivalent approach for non-European countries) for internal discussion.
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5.2. Remuneration of non-executive members

The remuneration of board members for their activities should be consistent with current practices in the country and in the sector. It should take into account the tasks performed by each member, as well as their attendance at meetings. Important developments should be explained.

LBP AM/TFSA would like the meeting attendance rate of each board member to be indicated in the annual report.

LBP AM/TFSA consider that the remuneration of non-executive members should not depend on the performance of the companies, because this could affect the independence of judgement expected from them.

6. Long-term remuneration plans (free shares, stock options)

Companies submit separate resolutions from traditional capital increases when it comes to plans for employees and/or corporate officers. **LBP AM/TFSA analyse such resolutions with regard to the principles indicated below.**

6.1. Common provisions

The total number of plans in progress must not exceed the ceiling of 10% of the capital.

LBP AM/TFSA would like the resolution to indicate clearly who will be the beneficiaries of the plans put to the vote, as well as the maximum portion of the package that can be allocated to executives. Ideally, LBP AM/TFSA are in favour of separating the resolutions concerning corporate officers from those concerning employees.

LBP AM/TFSA recommend that companies indicate the potential number of beneficiaries of the plan. LBP AM/TFSA pay closer attention to the quality of the plan when its eligibility is restricted; in other words, when the plan concerns only a small percentage of the workforce, **LBP AM/TFSA expect companies to comply with best practices in terms of transparency and performance conditions.**

LBP AM/TFSA expect that, compliance with performance conditions notwithstanding, awards can be cancelled in case of serious ethical breaches or damage to the company's reputation.

6.2. Allocation of free shares, stock options or stock purchase options

LBP AM/TFSA vote in favour of granting shares or stock options to employees and managers if:

- **Such grants are dependent on objective,** demanding and relevant performance criteria assessed over at least 3 years;
- **The initial conditions cannot be changed after the fact** unless a detailed explanation is provided;
- **The grant is not excessively concentrated for certain beneficiaries;**
- **The discount is zero in the case of options.**

In order to encourage a better consideration of long-term issues, LBP AM/TFSA welcome plans for executives that are designed for at least 5 years, including both the performance evaluation period and the vesting period.

The above criteria are not applied in the case of allocations that benefit all employees.

6.3. Employee share ownership plan

LBP AM/TFSA support the development of employee share ownership.

LBP AM/TFSA recommend that companies do not intervene in the governance of (Fonds Commun de Placement d'Entreprise (FCPEs) [Company Mutual Funds]. Employee shareholder representatives on the supervisory board of FCPEs should be able to decide autonomously on their voting decisions for the general meeting of shareholders.

7. Amendments to the articles of association

LBP AM/TFSA are in favour of long-term shareholding, which is a source of stability and a development factor for companies. LBP AM/TFSA therefore support the creation of additional rights for long-term shareholders through the payment of an increased dividend or double voting rights. Where the introduction of multiple voting rights is not intended to build shareholder loyalty, however, LBP AM expect that one vote will be granted per share held, so that the voting rights of shareholders are directly proportional to their financial stake. It should be possible to ensure identical treatment for holders of bearer and registered shares.

LBP AM/TFSA are opposed to the tightening of the conditions for decision-making by the general meeting of shareholders (e.g. change to a qualified majority to amend the articles of association, approve a merger or remove a director from office, etc.).

LBP AM/TFSA may object to the reduction of the thresholds of capital ownership above which shareholders must inform the company, if the latter does not offer transparency on these exceeded thresholds.

LBP AM/TFSA oppose the relocation of a company's registered office to a country with less stringent governance and tax requirements, without valid justification provided by the company.

LBP AM/TFSA oppose changing the age limits for board membership, when such change is visibly tailor-made for one person, thereby giving rise to questions about the functioning of the board (management of succession, durability of statutory principles, etc.).

8. Related-party agreements

A related-party agreement links the company with a stakeholder with significant influence (executive, member of the board of directors or of the supervisory board, significant shareholder). **Because of the conflict of interest that exists by nature, related-party agreements are subject to reinforced control,** in particular putting the agreement to a vote by the shareholders.

- **LBP AM/TFSA vote on a case-by-case basis,** taking into account the persons concerned, the content and the reason for the transactions, as well as the elements provided by the board to explain the value of the agreement.
- **LBP AM/TFSA vote against any resolution** when insufficient information is provided on the agreements in question.
- **LBP AM/TFSA also vote against any resolution when one of the agreements in question goes against the voting principles defined** elsewhere (for example, on executive severance pay).
- **LBP AM/TFSA would like agreements to be of limited duration** and to be reviewed periodically by the board and by the shareholders. LBP AM/TFSA recommend that the most important agreements be the subject of separate resolutions so that shareholders can decide on a case-by-case basis.
- **LBP AM/TFSA vote on only new or renewed agreements.** Old agreements already approved in the past should be voted on again when they have had an impact on the year covered by the general meeting of shareholders.
- **LBP AM/TFSA do not vote on agreements already approved by the shareholders,** when they have not had an impact, but they can express their reservations to the companies in the dialogue prior to the general meeting of shareholders.

9.
Statutory auditors

The statutory auditors are responsible for verifying the **regularity and fairness of the annual accounts** in the interest of the shareholders.

LBP AM/TFSA encourage companies to prevent any conflict of interest in the selection of statutory auditors by organizing a regular rotation and by refraining from assigning them tasks not related to the audit.

Resolutions in this area are generally accepted, barring justified exceptions:

- **LBP AM/TFSA vote against** if the statutory auditors have also performed non-audit services for the company in question, and if the fees they have received for these services exceed **25% of the fees received** for each of the last two financial years. If that is the case, the company should provide detailed information on the nature of the services.
- **LBP AM/TFSA are in favour of a regular rotation of auditors.** They are against appointing them if the same firm has been certifying the accounts for more than 18 years (corresponding to three six-year terms for French companies).

10.
Environmental resolutions

An increasing number of companies are defining **energy and ecological transition strategies** with objectives to reduce their impact on the climate and biodiversity. These plans can be put to a consultative vote by shareholders via so-called "say-on-climate" / "say-on-nature" resolutions.

LBP AM/TFSA support the introduction of a regular vote on the holistic environmental strategy of companies and the related objects, as well as a report detailing the implementation of this strategy. LBP AM/TFSA encourage in particular listed companies with a high greenhouse gas emitting activity and a strong impact on biodiversity to put these resolutions to a vote by the shareholders.

These resolutions are analysed on a case-by-case basis by LBP AM/TFSA. Such an analysis takes into account the characteristics of the plan put to the vote, the level of ambition of the plan and the transparency of the latter, particularly with regard to best practices in the sector or companies with similar issues.

LBP AM/TFSA encourage companies to develop and put to the vote a detailed and precise strategy, based as much as possible on market benchmarks (climate or sector scenarios, third-party strategy evaluation methodology). This strategy should apply the Avoid - Reduce - Compensate sequence and be articulated in terms of and consistent with the Group's global strategy, in particular with the latter's investment policy. LBP AM/ TFSA recommend the inclusion of objectives linked to the company's environmental strategy in the remuneration of executives.

On the climate front

LBP AM/TFSA expect this strategy to be accompanied by **short, medium and long-term objectives** to reduce greenhouse gas emissions in scopes 1, 2 and the most significant categories in scope 3. In order to contribute to the overall objective of **carbon neutrality by 2050,** LBP AM/TFSA encourage companies to adopt procedures that are compatible with the **1.5° scenario of the Paris agreements** on a significant scope of their activities. LBP AM/TFSA encourage companies to base their strategy on climate or sectoral scenarios as well as third-party assessment methodologies such as the Science Based Target Initiative.

On the biodiversity front

LBP AM/TFSA encourage companies to:

- **identify risks and dependencies relating to biodiversity** and ecosystem services
- **implement an efficient risk management policy** and establish ambitions to protect-restore-limit the impact of their activities on nature
- **follow the Science Based Targets for Nature approach** in order to contribute to the attainment of the objectives of the Convention on Biological Diversity
- implement circularity and **single-use plastic reduction plans** when relevant to their business.

LBP AM/TFSA reserve the right to vote against environmental resolutions that do not provide these elements and to support shareholder resolutions that follow the foregoing principles.

11. Environmental, social or governance shareholder resolutions

LBP AM/TFSA vote on a case-by-case basis on ESG shareholder proposals, based on its "GREaT Philosophy" and taking into account:

- **the importance and relevance** of the issues raised in relation to the sector in which the company operates;
- **the impact of the proposal** on the company's financial situation and its ability to create value in the long term;
- **the measures already put in place** by the company to address the issue raised.

For resolutions dealing in particular with climate and biodiversity, LBP AM/TFSA apply the principles set out in point 10).

LBP AM/TFSA are generally in favour of resolutions tabled by shareholders when they promote greater transparency on ESG issues (including on the management of lobbying, fiscal matters etc.). These resolutions will be analysed on a case by case basis.

LBP AM/TFSA reserve the right to participate in tabling resolutions on ESG issues.

LBP AM/TFSA consider that the rejection of the Board of Directors to include on the agenda environmental and social resolutions submitted by shareholders who meet the local regulatory conditions of ownership and timing constitute an obstacle to the exercise of shareholder democracy. In view of their case-by-case assessment of the content of the resolution, LBP AM/TFSA reserve the right not to vote in favour of reappointing on the board a director who has refused to register a resolution that LBP AM/TFSA believe would have contributed to the implementation of its voting policy.

12. Donations

LBP AM/TFSA vote in favour of charitable donations (to associations or foundations). In order to avoid the risk of conflicts of interest, LBP AM/TFSA are opposed to authorizations to make donations of a political, religious or ideological nature.

CHAPTER III

ORGANIZATION OF THE EXERCISE OF VOTING RIGHTS

1. Team in charge of the exercise of voting rights

This policy is applied for LBP AM/TFSA and for their subsidiary Tocqueville Finance. It is implemented by LBP AM.

Voting is coordinated by LBP AM's "SRI Solutions" team which reports to the Asset Management Department.

SRI Solutions relies on the equity management teams of LBP AM, Tocqueville Finance and the fundamental and sustainable analysis team for the analysis of priority resolutions as well as for the general meetings of shareholders of certain companies.

If necessary, the SRI team can seek advice from the Department of Compliance and Internal Control and the Legal Department of LBP AM/TFSA.

LBP AM/TFSA also avail themselves of **the services of two proxy voting agencies,** specializing in resolution analysis: **Institutional Shareholder Services (ISS) and Proxinvest.** For French companies, LBP AM/TFSA also consult the recommendations of the Association Française de la Gestion Financière (AFG) [French Association of Financial Management] before voting.

2. Operating procedures for exercising voting rights

LBP AM/TFSA exercise their voting rights through various channels:

- **By correspondance to custodians,**
- **Through the platform of the specialized external service provider** ISS, Proxyexchange, which transmits votes to the general meeting of shareholders through local sub-custodians (generally for foreign companies),
- **By participating directly in the general meeting of shareholders,** if LBP AM/TFSA should consider it to be preferable.

Currently, shareholders do not receive confirmation that their voting instructions have been taken into account at the general meeting of shareholders. LBP AM/TFSA support any approach that would improve the efficiency and transparency of the voting process.

3. Scope of exercise of voting rights

3.1. Portfolios concerned by the exercise of voting rights

UCIs

LBP AM/TFSA exercise their voting rights in UCIs (FCPs and SICAVs) for which they have identified an interest in the implementation of a shareholder policy.

If financial management is outsourced, LBP AM/TFSA may by exception delegate the exercise of voting rights to their subcontractor. This is the case of Aegon AM, Anchor Capital Advisors and Sprott AM (entrusted with the financial management by LBP AM) when they implement their own voting principles.

- **In early 2023 LBP AM/TFSA vote for 88 open-ended UCIs**

Mandates and dedicated funds

LBP AM/TFSA may exercise voting rights on behalf of mandates or dedicated funds **at the specific request of their clients.** Their voting principles are then applied, unless otherwise stipulated in the contract. When LBP AM's voting policy is applied to dedicated funds and mandates, LBP AM may depart from the application of its policy in order to follow the instructions of the holder, the representative of the group of holders or the principal, if they so request. LBP AM thus exercises its voting rights in the interest of the unit holder, the unit holder group or the principal.

- **In early 2023 LBP AM/TFSA vote for 20 mandates and dedicated funds.**

3.2. Companies for which LBP AM/TFSA exercise voting rights

Pursuant to Article L533-22 of the Monetary and Financial Code, LBP AM/TFSA exercise voting rights in the exclusive interest of the holders/shareholders of the UCIs. In order to determine the interest of the holders to take part in the vote of the resolutions submitted to the general meeting of shareholders of the companies, LBP AM/TFSA take into account the following elements:

- **Significance of the weight of LBP AM/TFSA and Tocqueville Finance in the decision-making process:** this criterion is used to determine a threshold in terms of percentage of the issuer's capital held.
- **Coverage of equity assets under management:** this criterion must ensure that the thresholds set allow for the selection of a sufficiently large number of companies to broadly cover the assets held in the portfolios.

- **The cost of exercising voting rights,** which may influence the threshold levels for either the minimum holding of an issuer's capital or the holding by the UCIs:
  - **"External" cost:** this is the cost of using tools, research, paying a service provider to implement the exercise of voting rights, etc.
  - **"Internal" cost:** LBP AM/TFSA must acquire the resources and organization to be able to initiate the voting rights exercise process (analysis of resolutions, communication with issuers, etc.). If the scope is too broad and the means put in place are not adapted, therefore, the rights cannot be exercised in a satisfactory manner.

With these criteria taken into account, in 2023 LBP AM/TFSA will exercise their voting rights for companies, regardless of their region, if one of the following conditions is met:

- **According to the absolute amount invested in the companies so that at least 98% of the total outstanding shares are voted,**
- **As well as for companies where all the BP AM/TFSA and Tocqueville Finance UCIs hold at least 0.2% of the capital.***

These criteria make it possible to define a list of companies considered to be significant and highly representative of the investments of LBP AM/TFSA and Tocqueville Finance in equities.

For information, based on the positions held in the 107 portfolios concerned at the beginning of 2023, the list of companies represents approximately **60% of the companies** in the portfolios.

* For practical reasons, and in order to take movements in portfolios into account, holdings are calculated at the beginning of each month.

CHAPTER IV

SECURITIES LENDING POLICY

In order to guarantee compliance with their responsible investment practices, LBP AM/TFSA have set up **a specific mechanism to limit securities lending transactions during the period of the general meeting of shareholders.**

Temporary sales of securities may be carried out for certain UCIs. The purpose of these transactions is to ensure the management objective and to optimize cash management.

As the voting right is transferred to the borrower of the securities, these loan transactions may conflict with the voting activity.

In order to avoid having to repatriate the securities lent, LBP AM/TFSA have put in place a specific mechanism to limit lending transactions during the period of the general meeting of shareholders.

If securities have nonetheless been temporarily sold before a general meeting of shareholders, LBP AM/TFSA systematically repatriate the securities.

CHAPTER V

MANAGEMENT OF CONFLICTS OF INTEREST

A conflict of interest is a situation in which LBP AM/TFSA risk damaging the interests of one or more of their clients in the exercise of their activities in order to favour the interests of **1) one of their employees** or **2) one of their managers** or **3) a company** to which they are (in)directly linked by a control relationship.

The potential conflict of interest arising out of the exercise of voting rights stems from pressure exerted on LBP AM/TFSA not to vote in the interest of the principals or holders, as defined in the voting policy.

LBP AM/TFSA have identified two potential situations that could generate pressure:

- **Companies with which LBP AM/TFSA, their shareholders or employees have special ties** such as commercial, capital or influence ties.
- **Companies for which LBP AM/TFSA vote** (whether or not they have sensitive links with LBP AM/TFSA) which ask about our voting intentions prior to general meetings of shareholders, particularly in the context of dialogues with issuers.

In order to prevent such potential conflicts of interest, LBP AM/TFSA have put in place the following system:

- **Compliance with the guidelines and principles defined** in this policy when exercising votes guarantees the autonomy of LBP AM/TFSA's decision-making. Voting choices are made in accordance with the policy or by departing from it. If LBP AM/TFSA would not vote in accordance with their policy, the Department of Compliance and Internal Control is systematically kept informed of any deviations. Said department verifies that voting choices that deviate from the voting policy are properly justified. It assesses the justifications through several criteria, including **1)** the risk of potential conflict of interest, **2)** compliance with the fundamental principle of primacy of the holder's interests and **3)** the relevance of the justifications and rationales provided by the SRI team. In case of doubt, the Department of Compliance and Internal Control may refer the matter to the Management Board. In such cases, the latter’s instructions will be applied.
- **Voting intentions are not communicated to issuers** or their agents until they have been traced and thus acquired concrete form in an IT tool. Depending on the content of exchanges with companies, the initial voting intentions may be modified. Such changes, as well as the reasons for them, are recorded in an internal document. No voting intention is communicated to any person other than the issuer or its agent.
- **Establishment, each two years of an internal control** a posteriori of the period of general meetings of shareholders

As soon as a conflict of interest situation is reported to the Department of Compliance and Internal Control, the latter reports it to the Management Board when LBP AM is concerned: together, they take appropriate measures to manage and limit the risk of conflict of interest to the potential stage.

This system for managing conflicts of interest when exercise voting rights is part of the more general framework of the conflict of interest management policy of LBP AM/TFSA. LBP AM's conflict of interest management policy is available here:

LBP AM_Politique_gestion_des_conflits_d'intérêts_20211122.pdf (labanquepostale-am.fr)

As soon as a conflict of interest situation is reported to the Department of Compliance and Internal Control, the latter reports to TFSA's Compliance and Internal Control Officer, which in turn reports to its senior management when TFSA is concerned: together, they establish the appropriate measures to manage and limit the risk of conflict of interest to the potential stage.

This system for managing conflicts of interest for exercise of voting rights is part of the more general framework of the LBP AM/TFSA conflict of interest management policy. TFSA's conflict of interest management policy is available here:

https://www.tocquevillefinance.fr/informations-reglementaires/

In view of the capital relations maintained with the entities AEGON, CAISSE DES DEPOTS, CNP ASSURANCES, LBP AM/TFSA have decided to abstain:

- **from all participation in the general meetings of shareholders** of AEGON and CNP ASSURANCES,
- **from voting on resolutions** concerning the acceptance of appointments of corporate officers sitting on the boards of directors/supervisory boards or in the general management of AEGON, CAISSE DES DEPOTS, CNP ASSURANCES, LA POSTE, LA BANQUE POSTALE and LA BANQUE POSTALE ASSET MANAGEMENT.

The list of companies with which LBP AM has capital ties and the corporate officers affiliated with them is updated and validated annually by the governance committee.

CHAPTER VI

TRANSPARENCY ON VOTING RIGHTS EXERCISED

In the interests of transparency for all our stakeholders, details of the votes cast for each open-ended fund for which LBP AM/TFSA vote are made available online seven days after each general meeting of shareholders at the following link:
https://vds.issgovernance.com/vds/#/NDY5MA==

Furthermore, the details of the votes are made available to the clients of La Banque Postale Asset Management and Tocqueville Finance upon request, provided the client can prove that he or she holds units in an LBP AM/TFSA UCI that falls within the scope of the exercise of voting rights. Only the votes cast on resolutions relating to this UCI will be communicated to the client.

The request can be made by post/email to the following address:

- **La Banque Postale Asset Management or Tocqueville Finance, 36 Quai Henri IV, 75004 PARIS,**
- **solutionsisr@labanquepostale-am.fr**, and
- **On the LBP AM/TFSA website,** using the form in the **"Contact Us"** section.

LA BANQUE POSTALE ASSET MANAGEMENT

TOCQUEVILLE Finance

https://www.labanquepostale-am.fr/en

La Banque Postale Asset Management
A public limited company (SA) with capital of 5,924,098.60 euros
Registered offices: 36, quai Henri IV 75004 – Paris Paris Trade and Companies Register n° 879 553 857
APE code 6630Z – International VAT n°: FR 71 879 553 857

Tocqueville Finance
A public limited company (SA) with capital of 2,520,547.80 euros
Registered offices: 36, quai Henri IV 75004 Paris – Paris Trade and Companies Register n° 381 652 072
An authorised portfolio management company regulated by the AMF under n° GP 91012