



LA FRANÇAISE
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LA FRANÇAISE VOTING POLICY 2022 IMPLEMENTATION DOCUMENT

La Francaise Implementation Document

The following denotes how ISS will implement the La Francaise custom voting policy.

Without exception, any adjustments to the implementation will require an e-mail instruction and/or confirmation by Perrine Dutronc:
pdutronc@la-francaise.com

Latest update: February, 2022.

Voting Issue	Voting instruction
<i>Parent Policy/Issues not addressed</i>	<p>The parent policy is the Sustainability policy from ISS. As such:</p> <ul style="list-style-type: none"> - Issues not specifically addressed in this document will be voted in line with the Sustainability policy. - In addition, even for issues addressed in this document, the Sustainability policy guidelines will be applied in addition to the La Francaise-specific guidelines.
<i>Election of Directors - Companies not reporting to CDP</i>	<ul style="list-style-type: none"> • For companies not reporting to CDP (watchlist to be provided by La Francaise), vote against the approval of the financial statements (consolidated and stand-alone financial statements) if presented as a voting item in the agenda. • If the company does not report to CDP and the approval of financial statements is not a voting item in the agenda, then vote against the re-election of all board members up for vote, except the CEO.
<i>Election of Directors – Companies not reporting to the Science Based Targets (SBT) for energy and oil & gas industries</i>	<ul style="list-style-type: none"> • For companies not reporting to SBT (watchlist to be provided by La Francaise), vote against the approval of the financial statements (consolidated and stand-alone financial statements) if presented as a voting item in the agenda. • If the company does not report to SBT and the approval of financial statements is not a voting item in the agenda, then vote against the re-election of all board members up for vote, except the CEO.
<i>Election of Directors - Board diversity</i>	<p><u>Gender Diversity</u></p> <p>If the board is composed of 4 directors or less: vote against the election and re-election of any male director (excluding the CEO) when, after the election, the Board will not include a minimum of 33% of women.</p> <p>If the board is composed of more than 4 directors: Vote against the election and re-election of any male director (excluding the CEO) when, after the election, the Board will not include a minimum of 40% of women. Please exclude the employee representatives from the calculation.</p> <p>In countries where directors are elected twice or even three times, once as regular director and once as either member of the compensation committee, audit committee or board chair, apply the sanction to both resolutions.</p>

	<p><u>Ethnic Diversity</u></p> <p>La Francaise will follow Sustainability.</p>
<p><i>Election of Directors - Committee</i></p>	<p>In all countries, employee representatives <u>and</u> employee shareholder representatives will be <u>excluded</u> from the calculation of committee independence.</p> <p><u>Audit Committee:</u></p> <ul style="list-style-type: none"> • If the audit committee is not 100 percent independent, vote AGAINST the election of all the non-independent directors (including the CEO). <p><u>Remuneration Committee:</u></p> <ul style="list-style-type: none"> • If the remuneration committee is composed of less than 50 percent independent directors, AGAINST the election of all the non-independent directors (including the CEO). <p><u>Nomination Committee:</u></p> <ul style="list-style-type: none"> • If the nomination committee is composed of less than 50 percent independent directors, AGAINST the election of all the non-independent directors (excluding the CEO).
<p><i>Election of Directors – Overboarding</i></p>	<p><u>WEIGHTS</u></p> <p>Non-executive board Chair= 2 mandates Non-executive other than board Chair= 1 mandate Executive director and executive officer (applies to all executives, including: CEO; combined Chair/CEO; executive Chair) = 3 mandates</p> <p><u>THRESHOLDS</u></p> <p>Using the weights described above, a director can hold a total of a maximum 4 mandates in listed companies.</p> <p><u>VOTING SANCTION</u></p> <p>Using the methodology above, La Française will vote AGAINST a non-executive director (including non-executive board Chair) if the total count of his/her mandates is 5 or above.</p> <p>In countries where directors are elected twice or even three times, once as regular director and once as either member of the compensation committee, audit committee or board chair, apply the sanction to both resolutions.</p>

**Remuneration Report/Policy -
Executive Shareholding
Guidelines**

Vote against the remuneration report or remuneration policy if the ISS report indicates that there **NO** executive shareholding guidelines/requirements for the CEO (or the concerned executive) or if the ISS report indicates that these requirements are **Not disclosed**.

The policy will be implemented as such:

- At those companies where both the remuneration report and the remuneration policy are included in the same agenda as voting items, a negative vote recommendation, when relevant, will be applied to the resolution to approve **the remuneration policy**.
- At those companies where only the remuneration report (or only the remuneration policy) is included in the agenda, a negative vote recommendation, when relevant, will be applied to the resolution to approve the remuneration report (or the remuneration policy).
- In Switzerland, at those companies that do not include neither the remuneration report nor the policy in the agenda, but they only include a “budget” resolution (resolution to approve the maximum remuneration levels), a negative vote recommendation, when relevant, will be made for the budget resolution(s).

However please note that if de facto there is CEO equity ownership (the CEO owns important part of the company as mentioned in the equity ownership profile), we will not recommend AGAINST.



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