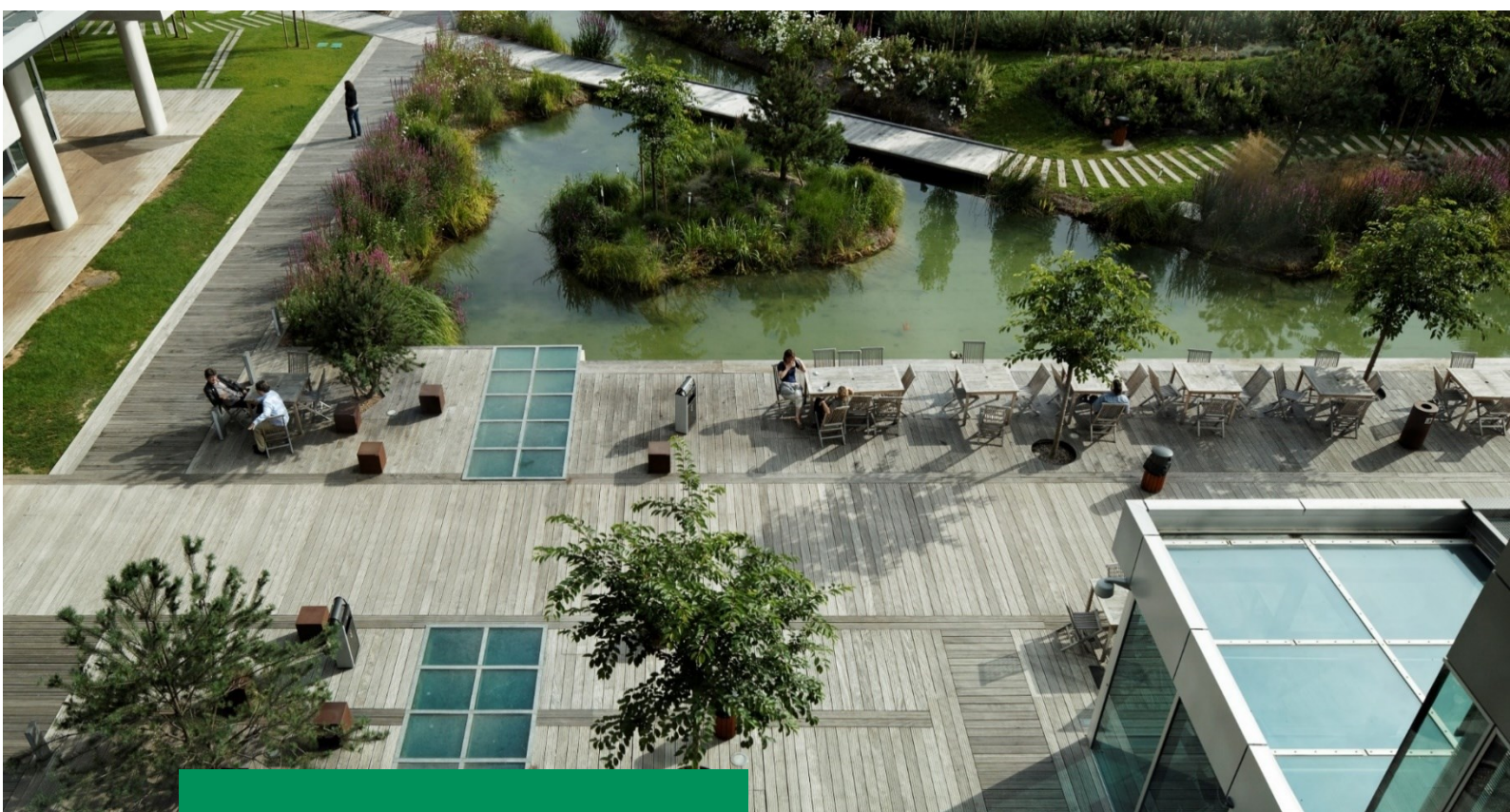


SHAREHOLDER ENGAGEMENT POLICY

Cardif Assurance Vie



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1. Scope of application of this document

This document applies to Cardif Assurance Vie, a subsidiary of BNP Paribas Cardif, in respect of its general funds.

2. Cardif Assurance Vie and the role of investor

As an institutional investor, Cardif Assurance Vie pursues a long-term investment strategy. In order to achieve the desired performance, the investment strategy takes into account financial and extra-financial criteria, which are closely linked.

Requirements in terms of exclusion of countries and activities as well as minimum standards in terms of Environmental, Social and Governance ("ESG") risk management are integrated into Cardif Assurance Vie's responsible investment strategy. Their application is implemented:

- Upstream of the investment, these requirements restrict Cardif Assurance Vie's investment universe;
- Throughout the period of ownership of the assets, Cardif Assurance Vie votes at the Annual General Meetings.

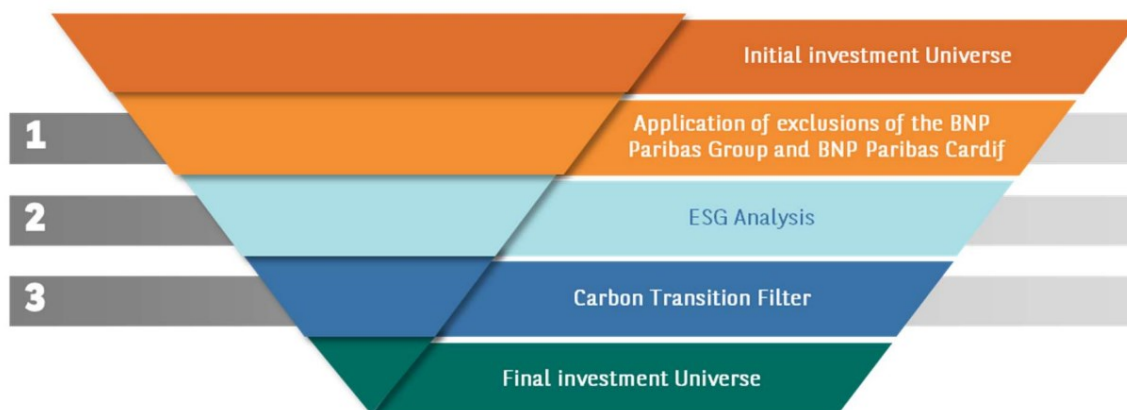
These various requirements are part of Cardif Assurance Vie's responsible investment strategy, which is structured around 4 principles:

- **Contributing to the development of the real economy:** the financial sector is a key player in the transformation of the economy towards a more sustainable model. In particular, insurers play an important role in financing the economy and participate in investment plans designed to support companies and individuals in the ecological and energy transition. As such, Cardif Assurance Vie directs part of its investments towards activities that contribute to the energy and environmental transition, the protection of ecosystems, and in favor of social and societal themes.
- **Being an economic player with a long-term investment horizon,** limiting the impact of short-term fluctuations in the financial markets, Cardif Assurance Vie's investments are backed by long-term commitments.
- **Be a responsible investor:** Cardif Assurance Vie integrates ESG criteria into the selection of investment vehicles and throughout the whole investment process.
- **Being an "active" investor:** Cardif Assurance Vie votes at the Annual General Meetings of listed companies in which it is a shareholder and engages with certain issuers on environmental issues.

3. Integration of extra-financial criteria

The responsible investment process for corporate securities held directly by Cardif Assurance Vie follows the following pattern:

The extra-financial analysis process of BNP Paribas Cardif's corporate shares and bonds



The investment universe is thus reduced and made compatible with Cardif Assurance Vie's responsible investor approach.

More details on the integration of ESG criteria, the carbon transition screen, as well as the extra-financial analysis of other asset classes are available in Cardif Assurance Vie's extra-financial reports, available on the following website: [Being a responsible investor - BNP Paribas Cardif](#)

4. Voting rights

Good corporate governance is a key criterion for Cardif Assurance Vie's investments. The implementation of this dynamic involves exercising voting rights at Annual General Meetings.

The following principles describe the expectations of Cardif Assurance Vie regarding the companies invested, with the aim of creating value in the long term:

- Alignment of extra-financial issues with the company's interests;
- Alignment of compensation structures with long-term performance, including extra-financial objectives;
- The quality and independence of managers and supervisory bodies;
- Protection of shareholders' rights

The main types of resolutions submitted to a vote can be grouped into six themes:

1. Climate-specific resolutions and other extra-financial considerations;
2. Approval of accounts and corporate management;
3. Appointment of Directors: the Board of Directors and the committees of the Board of Directors;
4. Remuneration policies;
5. Shareholders' rights – Equity issuance and buyback programs;
6. Other Resolutions and Shareholder Resolutions.

The following paragraphs define the guiding principles to which Cardif Assurance Vie refers in the exercise of the voting rights of the various resolutions.

These guiding principles are set out for each type of resolution. They reflect the best practices of the market, and can justify a vote in favor or not in favor of management's proposals. A vote not in favor can take the form of opposition or abstention, depending on the particular circumstances related to the resolution or the company.

Cardif Assurance Vie ensures a consistent application of its principles for all votes cast, and considers the specific circumstances of each company, in particular its size, geography, and local regulations.

Any resolution that is not covered by these guidelines will be assessed on a case-by-case basis.

4.1 Climate-specific resolutions and other extra-financial considerations

"Say-on-climate" resolutions are proposals submitted by companies to their general meetings' agenda. They aim to give shareholders the opportunity to vote on the company's climate policy. To vote on these resolutions, Cardif Assurance Vie takes the following factors into consideration:

- The publication of Greenhouse Gas (GHG) emissions on scope 1, scope 2 and scope 3¹ where applicable;

¹ The 3 levels of Scope 1,2,3 (GHG Protocol, <https://ghgprotocol.org/>):

Scope 1: direct greenhouse gas emissions (from the company's fixed or mobile installations)

Scope 2: associated indirect emissions (electricity, cooling and heat consumption)

Scope 3: all other indirect emissions. Scope 3 offers a more comprehensive analysis but is more difficult to estimate based on the available data.

- The setting of a "net zero" emissions target by 2050 at the latest, covering all its operations and the reference to a scenario aligned with the Paris Agreement;
- The setting of absolute GHG emission reduction targets, covering scopes 1 and 2 as well as the most relevant categories of scope 3 emissions;
- The establishment of intermediate objectives to achieve this, in the short and medium term;
- Communicating and quantifying key actions to meet GHG emissions targets, including establishing capital investment plans and investments in solutions to address global warming, as appropriate.

The presentation of climate objectives, measures and risk management must comply with the standards of the *Task Force on Climate-related Financial Disclosures* (TCFD).

Other environmental and social considerations are taken into account when voting on resolutions such as the discharge of the board of directors and management, the election of councilors, remuneration and extra-financial reporting.

4.2 Approval of the company's accounts and management

Regarding the approval of the accounts, Cardif Assurance Vie follows the recommendations of the Board of Directors, except in the cases of:

- Unavailability of accounts at the voting deadline;
- Refusal of accounts certification by statutory auditors;
- Reservations issued by the statutory auditors;
- If the board of directors has not set up an accounting or audit committee.

Discharge is given to the directors if none of the following cases has arisen:

- One or more directors suspected of having committed or having committed mismanagement and/or a violation of the law or the articles of association, or subject to a high level of controversy;
- A violation of the United Nations Global Compact;
- Insufficient management of environmental, social or governance risks, including inappropriate disclosure of the company's carbon emissions, or lack of engagement with all stakeholders regarding the strategies put in place to mitigate the company's direct and indirect environmental impact;
- Ongoing legal actions against the board or the auditors;
- Market consensus to protest against an unsatisfactory composition of the board and a non-renewal of directors;
- Reservations on the financial accounts or a refusal to certify them on the part of the auditors.

With regard to the allocation of income, Cardif Assurance Vie does not vote in favor of a dividend payout ratio that is excessive in relation to the company's financial situation. Proposals are considered on a case-by-case basis and special attention is paid to distribution proposals that

are significantly higher than the previous year in order to understand the reasons for this modification. The mark-up of the preferred dividend to the ordinary dividend is also analyzed.

Cardif Assurance Vie does not vote in favor of the proposed appointments and/or remuneration of the statutory auditors in the event of a:

- Lack of transparency on remuneration, or insufficient separation and balance between the audit engagement and any other service provided;
- Absence of an audit or accounting committee;
- Term of office of more than 6 years, or cumulative consecutive terms of office for more than 24 years;
- Doubts about the methods and procedures used by the auditors.

The extra-financial performance statement must be approved by the Board of Directors and reviewed by the Audit Committee.

Cardif Assurance Vie does not vote in favor of its approval at the General Meeting if:

- Extra-financial information is submitted to the vote at the AGM and has not been verified by an independent auditor;
- The auditor expressed a qualified opinion;
- The company does not meet the environmental and social expectations outlined in this document.

4.3 Appointment of Directors

The Board of Directors

Management's proposals to ratify appointments to the Board of Directors are not approved if the company does not provide the necessary information regarding the nominees' ability to act in the best interests of shareholders.

The election or re-election of a councilor, a committee or the entire board, depending on the specific case, is not subject to a favorable vote in the event of:

- Insufficient attendance at board meetings without satisfactory justification (below 75%);
- Failure to comply with fiduciary duties towards shareholders;
- Poor ESG risk management (low ESG score and lack of improved practices);
- Lack of response from the company following repeated shareholder votes expressing their disagreement with the remuneration.

In the context of the election or re-election of a director: if the share of women or men on the board is less than 40%, then the election or re-election of a councilor of the over-represented gender will not be the subject of a favorable vote. If this proportion is between 20% and 40%, Cardif Assurance Vie could support directors of the over-represented gender in the following cases: the company has made significant efforts in terms of diversity over the past year, the number of board members is reduced (8 directors maximum), the company has been the subject of a recent IPO, or the company has committed to reaching the said threshold within a reasonable period of time.

Particular attention is paid to the accumulation of mandates: directors must be able to devote themselves fully to their function. As a result, non-operational and independent directors will be able to hold up to 4 mandates, and executive directors up to 2.

The length of time an independent director² has been in office may affect his or her status. Beyond 12 years (or less depending on local practices), he or she should no longer be considered an independent director. As a result, if the listed company proposes his or her re-election, it must specify that he or she will no longer be independent.

Taking these elements into account, Cardif Assurance Vie wants the Board of Directors to have at least 33% of the directors, including the Chairman, to be independent (or a minimum of 50% excluding employee representatives). A different percentage of independence may be applied depending on local codes and practices.

All directors are appointed for a maximum period of 4 years; Resolutions proposing a longer term will not be voted in favor. Exceptions to this rule are examined on a case-by-case basis, such as the renewal of the chairman and CEO at the head of a company in a "difficult situation".

The roles of the president and chief executive officer must be separate, and the president must be independent. If checks and balances (e.g. independence of key functions, including recruitment of board members) in corporate governance are in place, a combined role may be tolerated for a period of up to 2 years, or in the event of a commitment to separate functions for the next term of the CEO.

Board Committees

Companies have specialized committees, including an audit committee, a compensation committee and a selection or nomination committee.

These committees must be composed of an independent chairman and at least 50% of independent directors, excluding employee representatives. Compensation and audit committees must not include an executive director. The composition of these committees must also be detailed in the company's annual report.

If these conditions are not met, Cardif Assurance Vie does not vote in favor.

For small and medium-sized listed companies, a more flexible approach to the application of these recommendations is conceivable.

4.4 Remuneration Policies

The company's remuneration policy must be defined by the remuneration committee. The Board of Directors shall communicate to shareholders in a clear and comprehensive manner the philosophy and reasoning behind the establishment of remuneration policies, including the link

² Factors that may compromise independence include : representing a significant shareholder or having a close family relationship to a corporate officer, being an employee or officer of the company, or an employee or director of its parent company or a company that it consolidates within the previous five years, being the chief executive officer of another company (Company B) if one of the following conditions is met: the undertaking concerned (undertaking A) is controlled directly or indirectly by undertaking B; An employee or officer of Company A is a director of Company B (within the last 5 years); be a significant customer, supplier, investment banker or commercial banker to the company or its group, or a significant part of the business of which the company or its group operates, or have been an auditor of the company within the previous five years; or has served on the company's board of directors for 12 years or more (or less, depending on the local code).

between compensation, performance and the creation of value for stakeholders over the long term.

Cardif Assurance Vie calls for transparency on the amounts and on all forms of remuneration of corporate officers, whether direct or indirect, immediate or deferred, paid by the company or its subsidiaries. These remunerations include stock *options*, free shares, pension schemes and whether these are identical to the pension schemes enjoyed by other company executives, severance pay and special benefits. The distribution and developments between the different components of remuneration must also be clearly identified.

Severance payments for the benefit of a senior corporate officer or the chairman of the board must be linked to criteria of seniority in the position or to performance criteria. Cardif Assurance Vie is not in favor of retaining or offsetting the benefit of stock *options* and free shares that have not been exercised in the event of departure from the company. Cardif Assurance Vie considers that "failure should not pay off", and that there should be no severance pay. In the event of exceptions, the amount must be reasonable, limited, and paid only in the event of forced departure without exceeding 2 years of fixed and variable remuneration, *stock options* and other excluded remuneration.

Consequently, Cardif Assurance Vie does not vote in favor of a remuneration policy that does not include, in a clear and exhaustive manner, the information mentioned above. Particular attention is paid to the relevance and requirement of the performance criteria, their weighting and attainment rate, as well as the measurement periods.

The remuneration policy must also integrate measurable and quantifiable environmental or social performance criteria into the short-term or long-term variable remuneration of managers. These criteria must be explicitly validated by the Board of Directors.

It must also comply with industry standards and must not, due to its excessive generosity, lead to the destruction of the value of the company. Therefore, Cardif Assurance Vie does not vote in favor of a remuneration policy for managers and/or board members that is disproportionate to the median remuneration of the company's employees or to market practice.

Compensation of Executive Directors and Members of the Executive Committee

Regarding short-term remuneration, the rules for establishing the amount of the fixed salary and these changes must be justified and reasonable. The bonus must be subject to performance conditions that are relevant, transparent and demanding for the company's industry and strategy. It must be limited to a certain percentage of the fixed salary.

Thus, Cardif Assurance Vie is not in favor of a significant increase in remuneration without justification in relation to the company's performance.

For medium and long-term compensation plans such as "*stock options*" or free shares, these programs must also include environmental and social performance criteria. The vesting and performance condition period must be at least 5 years.

Cardif Assurance Vie does not vote in favor in the specific cases below:

- Projects offering senior executives option plans at a discount; The absence of a discount must be mentioned in the resolution in order to be accepted. These plans must also be spread out over time.

- Grants of free shares or options not subject to the fulfilment of transparent and conditions and performance over a long period of time.
- Increase in the volume of free shares or options without justification and unrelated to the company's performance.
- Vesting period for free shares and/or options of less than 3 years, or exercise conditions subject to change.
- Free share plans when the cumulative volume with that of stock options (existing and proposed) exceeds 10% of the issued capital. The annual volume of the stock option distribution programs must not exceed 2.5% of the share capital, and the annual volume of the distribution of free shares must not exceed 1% of the issued capital. Different caps may apply on a case-by-case basis for small capitalizations.

Beneficiaries of supplementary pensions must meet the conditions of seniority in the company and still be present on the date of their departure. Potential entitlements should only represent a reasonable limited percentage of the beneficiary's remuneration. The reference period used to calculate benefits must cover several years, and the group of potential beneficiaries must be broader than just the director/member of the executive committee.

Cardif Assurance Vie is not in favor of combining severance pay and supplementary pension.

Remuneration of non-executive directors

Cardif Assurance Vie wishes board members who do not have an executive role in the company to receive directors' fees as remuneration for the work they do. The amount of these tokens and their evolution must be consistent with the standards and practices prevailing in the country and the sector of activity of the company concerned and be proportionate to the capacity of the company. The general remuneration transparency rules are applicable. In particular, Cardif Assurance Vie will not vote in favor of resolutions if the remuneration is not linked to attendance, if it is excessive in relation to best practices or if the individual amount is not disclosed when market practice requires it.

4.5 Shareholders' Rights – Equity Issuance and Repurchase Programs

Shareholders' rights must be protected. Any financial transaction should not create any significant imbalance between the different categories of shareholders and should avoid risks of dilution for existing shareholders. Cardif Assurance Vie does not vote in favor of any "anti-takeover" (takeover bid) mechanism.

Cardif Assurance Vie is in favor of the "one share, one vote" principle. Admittedly, the practice of double or even multiple voting rights may be a way of rewarding the loyalty of certain shareholders, but Cardif Assurance Vie believes that this practice might allow access to control of a company with a minority holding of shares and may therefore lead to abuses. In this case, Cardif Assurance Vie does not vote in favor. As an exception, this practice can be tolerated for a period of 5 years following the Initial Public Offering (IPO).

Cardif Assurance Vie does not vote in favor of the limitations on voting rights and the use of premium shares, as well as the practice of "proxy vote", which constitutes an obstacle to the active participation of shareholders, especially since these powers are favorable to management decisions as a matter of principle.

When strategically justified, mergers and acquisition transactions can create value for stakeholders over the long term. They are analyzed on a case-by-case basis. Similarly, votes relating to corporate restructuring are considered non-ordinary and are assessed on a case-by-case basis.

Regarding new share issue programs, Cardif Assurance Vie is in favor of non-dilutive increases up to 50% of the existing share capital for all cumulative authorizations, provided that they are well argued, and that the subscription period is clearly defined.

Cardif Assurance Vie does not vote in favor of resolutions proposing to carry out a capital increase with cancellation of preferential subscription rights in excess of 5% of the existing share capital. This threshold is increased to 20% in the case of capital increases with a priority period or a 10 specific objective. All proposals are considered on a case-by-case basis to consider the program specificities and local best practices.

Regarding share buyback plans, Cardif Assurance Vie examines the merits of the resolution, in particular the proposed price levels. Generally, Cardif Assurance Vie votes in favor of projects unless they exceed 10% of the capital. In this case, each proposal is considered individually. Permission should only be granted for 18 months, or less, depending on local regulations and best practices. Once this deadline has passed, a new share buyback authorization will have to be requested from shareholders. Cardif Assurance Vie does not vote in favor of projects that can be carried out through derivatives or for which the price discount limit is not specified.

4.6 Other Resolutions and Shareholder Resolutions

For any other resolution, the information must be exhaustive and allow an objective assessment. Otherwise, Cardif Assurance Vie will not vote in favor. Similarly, there will be no vote in favor in the event of group resolutions, at least one of which is contrary to one or more of the principles of Cardif Assurance Vie's voting policy.

Under certain conditions, a minority shareholder may request draft resolutions to be placed on the agenda of the General Assembly. These are so-called "external" resolutions as they do not emanate from the board of directors. Cardif Assurance Vie will support these proposals when they are aligned with the principles of its voting policy, in particular when they contribute to improving social and environmental performance while protecting the long-term interests of stakeholders. Otherwise, Cardif Assurance Vie's vote will not be in favor.

5. Dialogue with portfolio companies

Cardif Assurance Vie's investment approach is long term. This responsibility is reflected not only through the votes during the Annual General Meeting of companies in which it is a shareholder, but also in engaging dialogue with these companies.

In 2021, BNP Paribas Cardif joined the signatories of *Climate Action 100+* who are mobilizing to call on the world's largest emitters of greenhouse gases to take the necessary measures to fight climate change. *Climate Action 100+* fosters a dialogue with relevant companies to achieve three objectives:

- Establish a governance framework that sets out boards' commitments to address climate change risks;
- Set emission reduction targets consistent with the Paris Agreement;

- Disclose information in line with the recommendations of the Task Force on Climate related Financial Disclosures (TCFD).

This initiative is part of the BNP Paribas Group's climate strategy and the responsible approach of Cardif Assurance Vie, which has long been engaged in dialogue with the companies in which it is a shareholder.

6. The policy for the prevention of conflicts of interest

The strict separation of Cardif Assurance Vie's asset management entities and activities from the other entities and activities of the BNP Paribas Group prevents it from being in a situation of conflict of interest.

The managers and heads of the Asset Management department of Cardif Assurance Vie, as well as their line managers, declare to the ethics officer, the mandates of directors of listed companies and the securities they may hold for their own account, in particular in order to avoid any conflict of interest when exercising voting rights.

7. Communication with stakeholders

As an insurer, BNP Paribas Cardif offers investment and retirement solutions to its clients and supports them in building up savings throughout their working lives.

Cardif Assurance Vie also takes part in external discussions to promote responsible investment. It is involved in interest groups and supports initiatives that contribute to better taking into account extra-financial considerations in investment decisions. BNP Paribas Cardif actively participates in the work of France Assureurs. BNP Paribas Cardif has also been a signatory of the *PRI* (Principles for Responsible Investment) since 2016 and participates in the dissemination of responsible investment best practices.

8. Monitoring of strategy, financial and extra-financial performance

Cardif Assurance Vie regularly monitors the strategy and the financial and extra-financial performance of its investments through a large number of internal and external financial and extra-financial data. The monitoring of investments is reinforced by exchanges with companies and specialized financial analysts.

On the financial side, Cardif Assurance Vie monitors the financial performance and risks of the portfolios in terms of volatility, *Value At Risk* ("VaR") and maximum loss.

On the extra-financial side, Cardif Assurance Vie integrates sustainability issues and risks into investment decisions. Cardif Assurance Vie has thus reduced its exposure to so-called "brown" assets, in particular through the application of a carbon transition filter and the implementation in 2020 of a timetable for phasing out thermal coal. Indeed, BNP Paribas Cardif has committed

to definitively phasing out thermal coal by 2030 at the latest for the countries of the European Union and the OECD, and by 2040 at the latest in the rest of the world.