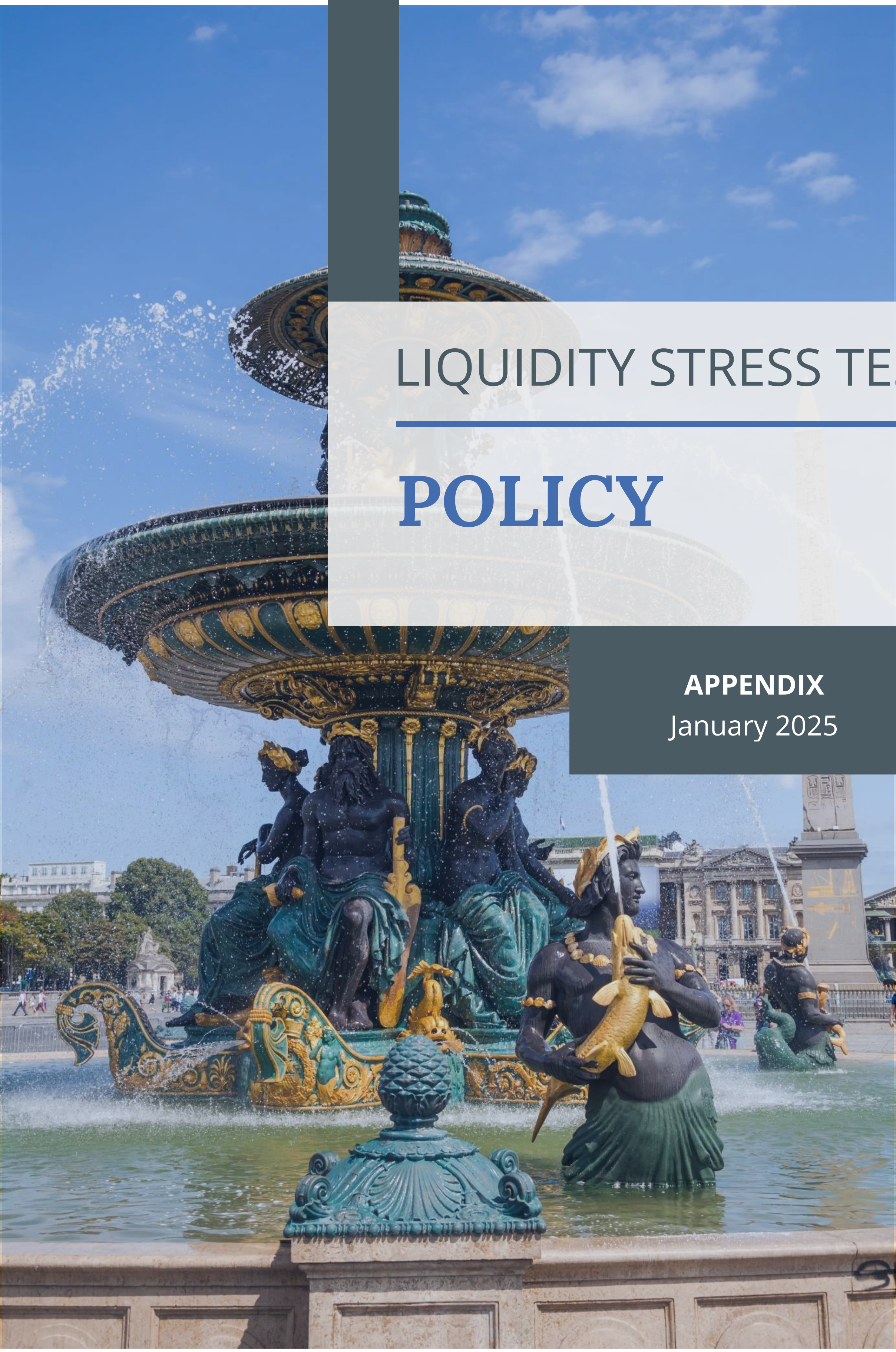

LIQUIDITY STRESS TESTS

POLICY

APPENDIX
January 2025

I. Principles that Covéa Finance applies when exercising voting rights[1]

The objective of Covéa Finance is to contribute to improving governance practices in the companies in which Covéa Finance decides to invest and thus contribute to best defending the long-term interest of the beneficiaries that Covéa Finance represents. The principles to which Covéa Finance refers enable all stakeholders' interests to be aligned.

The principles are organised around six themes presented below, which group together the main categories of resolutions:

a) Boards and Governing bodies
b) Remuneration of executive directors
c) Shareholders' rights
d) Approval of accounts and management
e) Financial structure
f) Governance of environmental and social issues

The voting strategy is made up of analysis points on each of the six themes, enabling Covéa Finance to take a position on governance when exercising voting rights.

a. Boards and Governing bodies

The boards are responsible to all shareholders and must act in the interest and on behalf of all shareholders. They exercise the powers conferred on them by law to act in any circumstances in the interests of the company. In order to assumes responsibility as effectively as possible, good governance must be reflected in a balance of powers and skills within boards and governing bodies.

Before deciding on a resolution relating to the boards and governing bodies, Covéa Finance, with the assistance of its service provider, considers the following points:

i. The clarity and consistency of information concerning the board's work, which are assessed by:
   - the Chairman's report informing shareholders of the number of board meetings, the elements for assessing the attendance of its members, its method of organisation, a detailed curriculum vitae for the members of the board in office and the members presented for the shareholders to vote on,
   - the existence of rules of procedure of the board referring to the principles of organisation and ethics,

[1] The principles set out in this policy principally apply to companies headquartered in Europe. In other geographical regions, Covéa Finance's approach may differ in line with market practices.

- the means made available to members of the board: communication of any information useful in exercising their appointments prior to their meetings;
- the separation or not of management and supervisory duties (Chairman of the Board and Managing Director or Chief Executive Officer);

ii. The amount of remuneration for the activity of directors (indexed or otherwise to attendance at board meetings). Covéa Finance is in favour of the remuneration of the members of the board, the amount of and changes in which must be consistent with the company's financial capacity;

iii. The experience of board members with regard to the company's operation;

iv. The diversity of experience within the board;

v. The rate of attendance of members at board meetings in the event of renewals of appointments;

vi. The term of appointments: Covéa Finance is in favour of a maximum term of appointments of four years;

vii. The proportion of board members or members of the supervisory board over 70 years of age;

viii. The list of appointments, with a general rule of a maximum of five appointments in total (including the appointment in the company concerned and/or one or several of its subsidiaries) for non-executive director candidates and specific rules on a case-by-case basis for other candidate profiles;

ix. The number of shares to be held statutorily by a board member or member of the supervisory board and the number of shares actually held;

x. The absence of discrimination: Covéa Finance is in particular in favour of better representation of women on boards;

xi. The presence of employees on boards: Covéa Finance is in favour of the presence of employees on boards;

xii. The existence of cross directorships: Covéa Finance is not in favour of this, except for strategic alliances in a declared economic project.

Covéa Finance checks that the company complies with the following principles in respect of the appointment of its members of the board of directors or supervisory board:

i. The proportion of independent directors must be strictly higher than 50% for companies with dispersed capital known as "non-controlled[2]".

ii. The proportion of independent directors must be strictly higher than 33% for controlled companies.

iii. The board members representing employee shareholders, as well as board members representing employees, are not recorded to establish these percentages, as well as representatives of central government (in the French case, including BPI, CDC, APE, etc.). As such, the board member or member of the independent supervisory board must not:
   - be an employee, corporate officer director of the company or a company of its group, or have been in the last five years,
   - be an employee or corporate officer director of a reference shareholder of the company, or of a company of its group,
   - be an employee or corporate officer director of a significant and usual, commercial, banking or financial partner of the company or companies of its group,
   - have been an auditor of the company in the previous five years,
   - have been a member of the board of directors or the supervisory board for more than ten years,
   - have a close family connection with a corporate officer.

Specialised committees

Covéa Finance adheres to the recommendations of the AFG recommending the existence of three committees (a larger number of committees may lead to dilution and confusion of the work of the board members, except in the case of a CSR committee, which we favour) with freedom to summon and interview the employees of the company and with an operating and allocation charter for each of them, included in the internal rules of procedure of the board of directors or the supervisory board. The board of directors or the supervisory board must provide shareholders with any relevant information concerning these committees and the frequency with which they meet, while also reporting on their activities.

i. Audit Committee

Two thirds of its members must be independent. The committee must include an expert member in accounting and financial matters, excluding persons performing general management or employee duties in the Company.

[2] *A company is said to be "controlled" if a shareholder directly or indirectly owns a fraction of the capital greater than 50%.*

Their duties must be the auditing of accounting and financial information, risk analysis and the supervision of internal control, the monitoring of statutory auditing of accounts and the review of external audit work.

ii. Appointments Committee

This must be made up of at least three members of the board of directors or the supervisory board, and the majority of members must be independent.

The committee is responsible for making proposals on the search for and appointment of board members and corporate officers and planning their reappointment.

iii. Remuneration Committee

The Chairman of the Remuneration Committee and the majority of its members must be free of interests. The committee may not include persons performing the duties of managing director.

It must participate in the development of a system covering remuneration of all kinds (fixed, variable, options, award of free shares, severance payments, pensions). In particular, it examines the remuneration of the corporate officers and the executive committee.

b. Remuneration of executive corporate officers[2]

The remuneration policy must be adapted to the company's strategy and context. It must be in line with a company's medium- and long-term performance objective. Remuneration must be determined in accordance with the principle of aligning stakeholders' interests.

Determination of remuneration must be comprehensive, the rules must be stable and transparent and the performance criteria used must be explicit and sustainable. Before deciding on a remuneration resolution, Covéa Finance, with the help of its service providers, considers the following points:

i. Transparency of information on the amounts and on all forms and bases for calculating individual, direct or indirect, immediate or deferred remuneration of executive directors. This information must be detailed in the resolutions, be stated in the annual report in a summary table of remuneration and make it possible to compare the current remuneration plans with those of the previous two financial years. Information on the criteria for determining variable remuneration must be precise (with details on minimum, maximum and target remuneration based on achievement of objectives);

2 Managing Director, Deputy Managing Directors, Chairman of the Board

ii. The consistency of the remuneration of the executive director with the interests of the company: the opportunities for changes to remuneration will be analysed in light of the existence of current major restructuring plans;

iii. The balance of structure between fixed and variable elements of remuneration, Covéa Finance being in favour of a proportionate order of magnitude;

iv. The structural balance between the short-term and medium-term variable elements, Covéa Finance being in favour of a structure aligned with medium- and long-term objectives;

v. The implementation or not of a mechanism for the approval of remuneration plans by the shareholders (“say on pay”), which Covéa Finance favours;

vi. The performance criteria associated with variable annual remuneration and remuneration plans must be exacting, explicit and sustainable, they may be both quantitative and qualitative: the inclusion of non-financial criteria is recommended; the criteria comparing the group's performance with that of competitors are assessed positively;

vii. The implementation or not of a mechanism for reimbursing variable remuneration paid when it appears, at a later date, that it was partially allocated on the basis of incorrect financial information;

viii. Mechanisms for the allocation of long-term remuneration of executive directors; in particular, the following terms and conditions:

Free shares

- Covéa Finance would like the Company to use its annual report to provide its shareholders with accurate data on all conditions that led to the granting of bonus shares over the last three fiscal years (performance criteria, allocation percentage).
- Resolutions intended to authorise the allocation of bonus shares must include and specify in detail the explicit performance criteria on the basis of which the said shares will be allocated so that the shareholder can assess their dilutive potential.
- These criteria may be mentioned in the resolution or in documents provided to shareholders in preparation for the general meeting.
- Covéa Finance would prefer for those resolutions concerning the corporate officers and employees to be separate and for the maximum share of bonus shares allocated to each executive director to be disclosed.
- Bonus shares must be granted under a long-term performance condition (at least 3 years) and it would be desirable for them to be held over 2 years.

Allocation of subscription options, warrants or share purchase warrants

- Covéa Finance closely scrutinises the number of subscription options, warrants or share purchase warrants and the conditions under which they are granted to members of management. In particular, they should not include a discount and it should not be possible to amend the initial terms of the issue.
- The option plans must specify the terms and conditions for granting these options. A system must ensure compliance with ethical rules and in particular:
  - that options or warrants are void after an individual leaves the company,
  - that there is no possibility of subsequently changing the initial conditions for the granting of options,
  - that options are granted at intervals over the year,
  - that there is a possibility of granting options over several years which is contingent upon achieving objectives,
  - that allocations are made subject to the achievement of performance conditions over a long period of time.

These award plans should distinguish between the awards made to the corporate officers and those made to the employees.

The award of options must be subject to performance conditions over a long period (at least three years) and it would be desirable for retention to be two years.

Restrictions on the allocation of subscription or share purchase options and free shares

- The total amount of outstanding plans encompassing subscription options and bonus shares should not exceed 10% of the capital (this upper limit could be increased for small capitalisations).
- The total number of beneficiaries of share subscription or purchase options and free shares as well as the number of executive beneficiaries should be mentioned in the company's annual report.

Supplementary pension arrangements, including defined benefit arrangements, which should include terms of seniority (5 years minimum), amount, presenteeism, basis of assessment and reference period;

Severance benefits: it is desirable that the departure of a director corporate officer on his initiative alone does not result in the payment of severance benefits.

- Any severance pay bonus that may be payable to any executive director should not exceed an amount equal to twice the fixed and variable annual

retainer (subscription options and other types of remuneration are excluded). If the director's presence is less than two years, the amount of the compensation should be determined in proportion to the attendance time.
- The payment of a non-competition payment should be excluded as part of a retirement.
- Covéa Finance would prefer for those agreements relating to remuneration, allowances or benefits that may be due to an executive director upon leaving service or changing office, to be addressed by separate resolutions.

Welcome bonuses: they can be accepted in the event that they compensate for the possible loss of income created by the newcomer abandoning his/her previous duties.

c. Shareholders' rights

Covéa Finance's voting strategy in this area is based on the defence of fair treatment of shareholders, in particular through the mechanism of proportional voting rights and the principle of “one share, one vote”. This rule is systematic, with the exception of double voting rights linked to the Florange law.

Covéa Finance therefore opposes any practices and/or amendments to the articles of association relating to the break-up of shares, double voting rights, priority dividends and non-voting shares. Covéa Finance is vigilant about preserving shareholders' rights. Each resolution or decision resulting in a modification of the articles of association is reviewed on a case-by-case basis.

d. Approval of accounts and management

Covéa Finance takes a stand when exercising voting rights on the company's transparency as regards its business activity and its financial situation, and on access to sufficient information, in particular on policies and practices as regards certain environmental and social issues.

Before deciding on a resolution relating to the approval of accounts and management, Covéa Finance, with the assistance of its service providers, considers the following points:

i. The information from the companies must be available within time limits enabling Covéa Finance to analyse these questions in advance (at least 21 days before the general meeting).

ii. The information must be sincere and consistent, with a detailed strategic position, particularly on matters regarding the company's medium- and long-term strategic direction, the company's environmental and social policy, the risk identification and management policy, the debt and dividend distribution policy;

iii. Resolutions put to the vote of shareholders, which must be accompanied by information that clarifies the voting decision and the issues at stake, as well as the reasons for and the consequences of the proposed resolutions, in particular those concerning the appointment and renewal of board members, as well as authorisations concerning financial transactions;

iv. Requests for discharges that will be analysed in light of the regulations of the country in which the registered office is located;

v. The appointment of external auditors; Covéa Finance is attentive to limiting potential conflict of interest situations regarding the involvement of external auditors. Therefore, the following must be observed:
   - the correct application of the rotation principles according to the entities concerned and according to local regulations,
   - the restriction of fees not related to the work to certify the annual accounts,

vi. Regulated agreements; Covéa Finance is particularly vigilant about resolutions relating to regulated agreements.
   - The good practice of providing for a resolution by agreement;
   - The information must be clearly detailed and, for the sake of clarity, must be addressed by separate resolutions, particularly in the case of agreements concerning executive corporate officers and family holding companies;

Regulated agreements[3]: These are direct or indirect agreements between a company and its managing director, one of its deputy managing directors or one of its board members or one of its shareholders holding more than 5% of voting rights that do not relate to day-to-day transactions entered into under normal conditions. It is recalled that current transactions are those carried out by the company in the course of its ordinary business activity and in the case of disposals of assets established under conditions sufficiently customary to be likened to normal transactions.

Scope

Sales, leases, provision of services, licensing, loans, exceptional remuneration awarded to directors for assignments, etc.

vii. Combined votes: Covéa Finance opposes the practice of combining in the same resolution several decisions of the same kind that should however be separately put to the vote of the meeting (for example, resolutions relating to the reappointment of several board members or remuneration or benefits in kind for board members).

[3] *Articles L225-38 to L225-43 of the French Commercial Code*

e. Financial structure

Covéa Finance's voting strategy is based on respect for the principle of sustainable equity management over the long term and respect for long-term shareholders. Therefore, Covéa Finance is particularly vigilant about securities transactions and the dividend policy carried out by companies within its voting scope:

i. The dividend distribution policy must be adapted to the company's growth potential, taking into account the amount of the dividend in relation to the cash flows available to the shareholder, the change in the distribution ratio and the amount of investments;

ii. Share buyback and capital reduction transactions: these transactions will be analysed in light of the company's debt situation;

iii. Anti-public takeover bid mechanisms: it is not desirable for a general meeting to be able to give prior authorisation to use in a public takeover bid launched subsequently arrangements such as share buyback (excluding the United Kingdom) or the issuance of share warrants. Covéa Finance considers that holding a general meeting during the public takeover bid period must allow shareholders to decide on a case-by-case basis, having the information to assess the resolutions authorising, during the public takeover bid period, the repurchase of shares or the award of share warrants.

iv. Capital increases with or without preferential subscription rights. Covéa Finance's voting strategy is based on respect for shareholders' preferential subscription right at the time of capital increases. Covéa Finance will therefore be vigilant as regards the terms of dilutive requests for delegation of powers removing the subscription right of shareholders, in terms of discount and percentage of the capital requested. In particular, Covéa Finance opposes:
    - capital increases without preferential subscription rights and without a mandatory priority period which, if they were potentially cumulative, would represent more than 10% of the capital and which, when submitted to the vote at the meeting, would not be formally explained and justified,
    - capital increases without preferential subscription rights and with a mandatory priority time limit of a minimum of five days that, potentially accumulated, would represent more than 20% of the capital and which, put to a vote, would not be formally explained and justified,
    - concerning capital increases with preferential rights, Covéa Finance is opposed to authorisations which, if they were potentially cumulative, would represent more than 50% of the capital and which, when submitted to the vote at the meeting, would not be formally explained and justified,

Covéa Finance is not in favour of capital increases per private investment, unless there is a justification for specific situations formally explained by the company.

f. Governance of environmental and social issues

Covéa Finance wishes to have access to clear and sufficient information on the company's policies and practices on certain environmental and social issues in order to better understand the risks and opportunities that these issues may constitute for the company.

Covéa Finance may support a resolution presented by a shareholder or group of shareholders, which, subject to conditions of clarity and detail, would increase transparency on environmental and social issues linked to the Company's business.

With regard to the carbon assets held by the companies in its portfolio, Covéa Finance favours, to the extent possible, closures over asset sales, based on the following reasoning:

- Any investor wishing to divest a high carbon asset in a portfolio must necessarily transfer it to the purchasing counterparty's portfolio. This is a zero-sum game, since the company's emissions that were the subject of the transaction will not have significantly changed.