VOTING AT GENERAL MEETINGS OF SHAREHOLDERS (GMS)

REVIEW OF 2024

CON-TENTS

Introduction: approach

Each delegated management company exercises the voting rights attached to the shares held on behalf of ERAFP:

➡ for the entire portfolio under management

➡ applying ERAFP's specific voting policy

ERAFP monitored in depth and coordinated the voting of management companies on a sample of:

➡ 30 French companies

➡ 10 foreign companies

This sample represents around 20% of ERAFP’s equity portfolio in terms of market capitalisation.

01 A DETAILED REVIEW OF FRENCH GENERAL MEETINGS

1.A. Voting results at General Meetings

France

Overall results	2024	2023	2022	2021	2020	2019
General Meetings (AGMs) monitored in depth by ERAFP	30	29	39	40	40	40
Resolutions monitored in depth by ERAFP	781	681	943	959	1009	890
Of which management resolutions	780	671	929	949	998	882
Of which shareholder/external resolutions filed	1	10	14	10	11	8

ERAFP votes (excluding external resolutions)	2024	2023	2022	2021	2020	2019
ERAFP votes in favour of the resolution (excluding shareholder resolutions)	73,2%	68,8%	62,6%	66,3%	68,2%	61,9%
ERAFP votes in favour of dividend distribution	87,1%	93,1%	90,0%	74,4%	92,3%	87,2%
ERAFP votes in favour of resolutions concerning executives' remuneration	41,6%	26,5%	26,2%	25,1%	13,4%	7,7%
ERAFP votes in favour of appointments and/or reappointments of directors	72,3%	77,2%	70,3%	74,2%	77,9%	80,6%

Resolutions submitted by shareholders	2024	2023	2022	2021	2020	2019
Shareholder/external resolutions filed	1	10	14	10	11	8
Shareholder/external resolutions supported by ERAFP	100%	100%	57,1%	90,0%	45,0%	88,0%

1.B. ERAFP votes by type of resolution - France

Governance and Board Memberships

Indicators ERAFP sample	Governance and Board Memberships	2024	2023	2022	2021	2020	2019
	Women board members	45,5%	45,9%	46,5%	46,0%	47,0%	45,0%
	Independence of boards*	68,7%	63,0%	55,7%	56,0%	59,0%	58,0%
	ERAFP votes in favour of appointments and/or reappointments of directors	72,3%	77,2%	70,3%	74,2%	77,9%	80,6%

** ERAFP differs from AFEP-MEDEF for the calculation of the independence and feminisation rates (excluding employee directors from the count, only for the independence rate)*

- ➡ **Board independence** continues to increase (+5.7 percentage points vs. 2023), while the **proportion of women** on boards continues to decrease slightly (-0.4 points vs. 2023), in line with the general trend observed in previous years.
- ➡ ERAFP voted in **favor of 72.3%** of the resolutions concerning directors, with 27.7% against.
- ➡ ERAFP was stricter on director renewal (68.15%) than appointment (80.1%).

1.B. ERAFP votes by type of resolution/topic - France

Dividend

Dividend	2024	2023	2022	2021	2020	2019
ERAFP votes in favour of a dividend distribution	87,1%	93,1%*	87,5%	74,4%	92,3%	87,2%

ERAFP **opposed 12.9%** of the resolutions concerning the approval of dividends, mainly for the following reasons:

- ➡ Distribution rate after sector comparison too high;
- ➡ A company with weak or negative financial results after dividends, affecting its ability to invest, especially in implementing a more ambitious climate plan.

* There was an increase in the approval rate compared to 2022. At that time, the lower approval rate was partly attributed to dividend distributions considered excessive given the company's economic situation.

1.B. ERAFP votes by type of resolution/topic - France

Executive remuneration

ERAFP sample indicators	Executive remuneration	2024	2023	2022	2021	2020	2019
	Average remuneration of chief executive (€)	7 131 646	6 310 154	6 269 837	4 015 085	5 008 436	5 458 997
	ERAFP votes in favour of resolutions concerning executives' remuneration	41,6%*	26,5%	26,2%	25,1%	13,4%	7,7%

** **The increase in the approval rate on executive remuneration by ERAFP since 2017** can be explained in particular by **the increase in the number of resolutions concerning remuneration** proposed to the general meeting. This increase allows for a greater granularity in the voting and analysis of resolutions.*

➡ The rejection rate for resolutions on executive remuneration has fallen significantly this year, while the number of resolutions rejected has remained stable (113 in 2024 compared to 111 in 2023), and the number approved has doubled (80 compared to 40).

➡ Since 2018, there has been an increase in the number of resolutions concerning remuneration proposed to the AGM. There are now resolutions relating to:
- CEO remuneration → almost systematic opposition
- Chairman's remuneration → regular opposition
- Remuneration of other directors → little opposition
- Information on remuneration components (clarity, legality, transparency) → weak opposition

➡ Opposition to compensation is mainly due to the following criteria:
- **Excessive remuneration** (>100 minimum wage; >50 company's average wage)
- Absence of **ESG criteria** in the variable component
- **Structure** of variable remuneration (>300% of fixed remuneration; short-term variable component > long-term component)
- Lack of transparency regarding **performance** (criteria, targets, minimum and maximum thresholds)
- Excessive share of qualitative performance criteria (>25%)
- Inadequate **supplementary pension** schemes (defined benefits)

1.B. ERAFP votes by type of resolution/topic - France

External resolutions and Say on Climate

External resolutions	2024	2023	2022	2021	2020	2019
Shareholder/external resolutions filed	1	10	14	10	11	8
Shareholder/external resolutions supported by ERAFP	100%	100%	57,1%	90,0%	45,0%	88,0%

➡ In 2024, ERAFP supported one external resolution-regarding a free share allocation plan for employees.

➡ Regarding 'Say on Climate' (SOC) resolution, there was one in France this year (compared to 9 in 2023). This resolution received an average approval rate of 79.7%.

	SOC's number in 2024	SOC's number in 2023	SOC's number in 2022
FRANCE	1	9	10

02 A DETAILED REVIEW OF INTERNATIONAL GENERAL MEETINGS

2.A. Voting results at General Meetings

International

Overall results	2024	2023	2022	2021	2020	2019
General Meetings monitored in depth by ERAFP	10	12	20	20	20	19
Resolutions monitored in depth by ERAFP	122	198	309	297	319	326
Of which management resolutions	122	196	306	273	295	298
Of which shareholder/external resolutions filed	0	2	3	24	24	28

ERAFP votes (excluding external resolutions)	2024	2023	2022	2021	2020	2019
ERAFP votes in favour of the resolution (excluding shareholder resolutions)	67,2%	64,9%	68,1%	60,3%	59,9%	59,5%
ERAFP votes in favour of dividend distribution	85,7%	100,0%	95,7%	84,6%	93,8%	86,7%
ERAFP votes in favour of resolutions concerning executives' remuneration	5,6%	10,5%	2,9%	7,1%	3,4%	0,0%
ERAFP votes in favour of appointments and/or reappointments of directors	91,1%	78,5%	76,5%	57,9%	65,8%	74,0%

External resolutions	2024	2023	2022	2021	2020	2019
Shareholder/external resolutions filed	0	2	3	24	24	28
Shareholder/external resolutions supported by ERAFP	0,0%	50,0%	0,0%	79,0%	71,0%	75,0%

2.B. ERAFP votes by type of resolution/topic - International

Governance and Board Memberships

ERAFP sample indicators	Governance and Board Memberships	2024	2023	2022	2021	2020	2019
	Women board members	31,8%	38,9%	37,5%	36,0%	34,0%	37,0%
	Independence of boards*	56,6%	68,1%	56,5%	71,0%	63,0%	69,0%
	ERAFP votes in favour of appointments and/or reappointments of directors	91,1%	78,5%	76,5%	57,9%	65,8%	74,0%

- ➡ The gender diversity rate of boards has significantly decreased this year (-7.1%), mainly due to the inclusion of a second Japanese company in the sample, which had no female directors for the 2023 fiscal year. Gender diversity on Japanese boards is indeed very behind compared to Western countries.

- ➡ The level of board independence has declined again, returning to the 2022 level. With an independence rate of 33%, the addition of a new Japanese company has lowered the overall independence rate of the portfolio. However, the average rate of the portfolio remains above the level required by ERAFP's policy, which is 50%.

- ➡ As usual, the main reasons for opposing the election of directors were: the level of independence or the number of female directors; the number of directorships held (three in large listed companies, only one if an executive).

2.B. ERAFP votes by type of resolution/topic - International

Dividend

Dividend	2024	2023	2022	2021	2020	2019
ERAFP votes in favour of dividend distribution	85,7%	100,0%	95,0%	84,6%	93,8%	86,7%

- All the companies in the international sample proposed at least one dividend resolution, with the exception of one company in the automotive sector.

- ERAFP's approval rate for the dividend was down on last year, with two objections:
  - the proposed dividend was significantly higher, not corresponding to a catch-up and increasing well above salaries;
  - the proposed exceptional dividend would have raised the dividend to a much higher level than its peers.

Reminder of ERAFP voting policy: vote "against" if "The dividend distribution rate is abnormally high compared with the business sector's and has increased constantly for at least three years whereas the employees' remuneration at constant scope over the same period has decreased".

2.B. ERAFP votes by type of resolution/topic - International

Executive remuneration

ERAFP sample indicators	Executive remuneration	2024	2023	2022	2021	2020	2019
	Average remuneration of chief executive (€)	7 446 489	9 065 096	7 408 842	5 118 800	7 025 938	8 162 500
	ERAFP votes in favour of resolutions concerning executives' remuneration	5,6%	10,5%	2,9%	7,1%	3,4%	0,0%

- Average executive compensation returns to a level comparable with previous years (excluding the peak in 2023 and trough in 2021), although the change in the sample does not allow for a true historical comparison. The median compensation for the sample is €4.6 million.
- This year, only one resolution in the sample received a favorable vote from the ERAFP: the resolution concerns directors' remuneration. The amount of the remuneration package remains unchanged, but is preferable since it offers greater alignment between management and shareholders.
- It should also be noted that some international companies are not obliged to have their shareholders approve executive remuneration every year, or that such resolutions may not be binding.

2.B. ERAFP votes by type of resolution/topic - International

External resolutions and Say on Climate

External resolutions	2024	2023	2022	2021	2020	2019
Shareholder/external resolutions filed	0	2	3	24	24	28
Shareholder/external resolutions supported by ERAFP	0,0%	50,0%	0,0%	79,0%	71,0%	75,0%

➡ There were no external resolutions filed this year in the international sample. This sharp drop is explained by the significant reduction in the sample and the absence of any US companies present until 2021, when external resolution filings are more common.