

POLICY GOVERNING THE EXERCISE OF VOTING RIGHTS OF PUBLIC COMPANIES

PC-6 EXECUTIVE COMPENSATION

PC-6.1 Compensation conditions and disclosure

The compensation of a company's executives should be examined within the framework of its shareholder meetings. We expect the board of directors to demonstrate moderation when determining the level of compensation for executive officers, while keeping the company competitive. We therefore favour compensation that is structured to increase value while recognizing executives whose performance meets or exceeds the set objectives.

We favour a compensation policy in which a substantial variable portion of compensation is linked to the company's results or the achievement of short- and long-term objectives.

The board of directors should take into account the consequences of the risks associated with the company's compensation policies and practices. We therefore encourage the board of directors to make complete disclosure of the measures taken to ensure that these policies and practices are aligned with long-term performance objectives and do not serve as incentives for members of management to take excessive risks in order to achieve their annual objectives.

The compensation plans must be subject to complete disclosure. All direct and indirect benefits, including pension plans and attributions granted outside the program, such as severance pay, retention bonuses, special grants and fringe or personal benefits (perquisites), must be transparently disclosed.

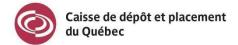
The shareholders must be able to determine the extent to which executive compensation is justified by the company's results. The information published by the company must therefore be sufficiently complete and transparent to permit this comparison for all members of the company's senior management over a reasonable period of time. This data must allow for comparisons between management compensation and that of an appropriate reference group.

If the compensation committee uses the services of a specialized compensation firm, we encourage the company to disclose the name of this firm and provide a breakdown of the fees paid to it.

In addition to applying the general principles noted above, we pay special attention to the following when examining a compensation plan:

- The explicit declaration by the board of directors of the compensation policy and program in effect, the principles followed with respect to executive compensation, the relationship between those principles and the company's strategic objectives, performance objectives and any changes in these regards;
- The description of the process followed in establishing the structure of the incentive compensation program and its various components;

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- The complete disclosure of all benefits, including extraordinary bonuses or one-time payments;
- The performance criteria applied, including those related to the attribution and vesting
 of securities under an incentive compensation plan over the short and long term;
- The number of shares that may be vested or the number of options that may become exercisable based on the achievement of performance objectives;
- The requirements established for executives and senior managers in terms of share ownership;
- The inclusion of certain ESG criteria in compensation, to the extent that they are aligned with the company's strategy and long-term value creation.

We may oppose the election of members of the compensation committee if we believe that compensation is not aligned with performance.

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