

ENGAGE?



How to Vote & Engage as a Citizen owning Listed Equity

"Beneficial owners"
(or "end investors")

Types of legal owners

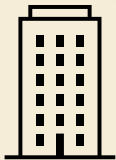
"Agency owners"

Legal owners of equities have the right to vote on matters of corporate policy

- those who fund the investments
- and bear the risks, costs and rewards of ownership



- financial intermediaries who do not bear the risks, losses, or rewards of ownership



Unfortunately, in the large majority of cases, including in France, voting rights of equities are in the hands of "agency owners", those in control of "other people's money".



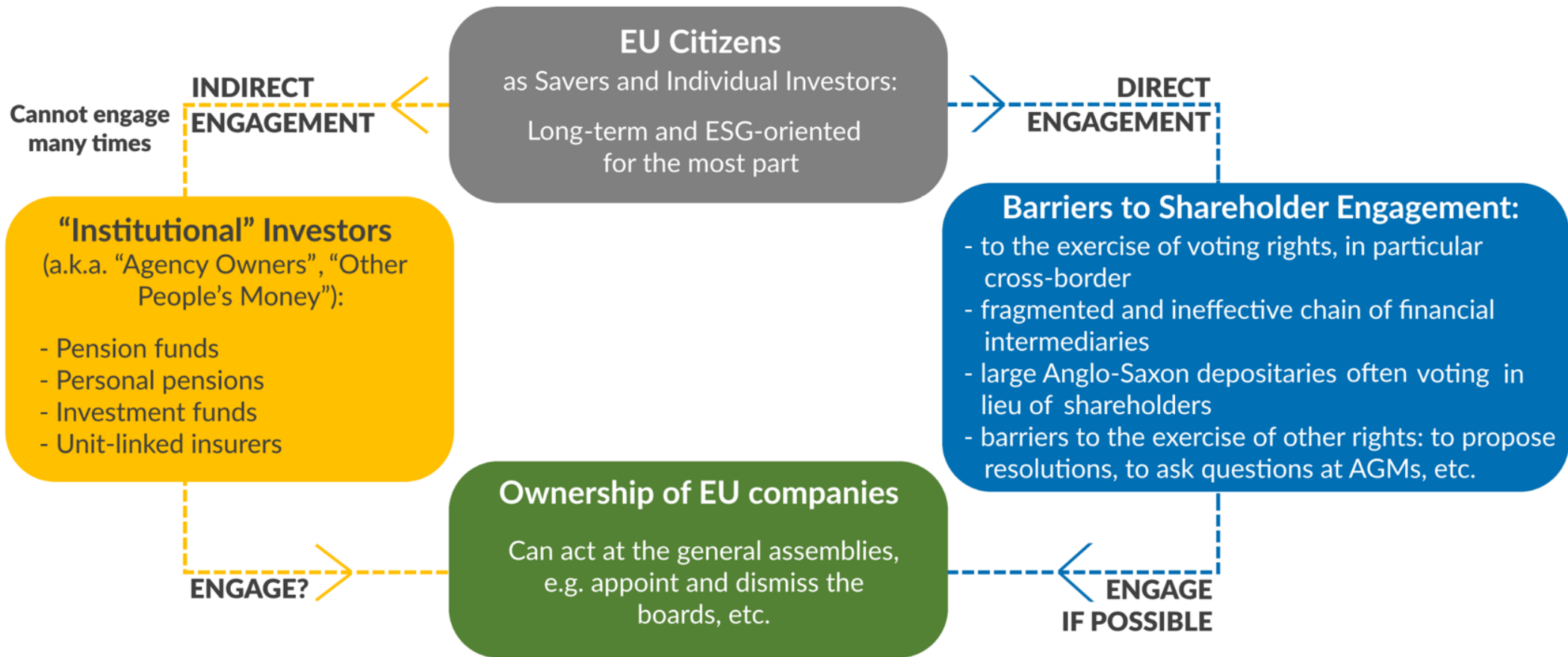
If, however, you are the legal owner (for example, if you invested directly in equities via an online broker or your bank) you have the legal right to vote or to give a proxy to another shareholder to vote on your behalf.



Owning equities in a given company makes you a co-owner of this company (it is a fraction ownership stake), which comes with certain responsibilities as well as rights.



Besides the most fundamental and basic investor right, i.e. voting, you also have the right to propose resolutions to be discussed and voted by the General Assembly of the investee company.



Proposing resolutions can be a challenging task since it requires certain thresholds to be met. For instance, in order to propose a resolution, it is necessary to gather at least 0.5% of the capital of the outstanding equities together with other shareholders.



Specifically for France, you need to gather at least 0,5% (for companies with a capital > €15 million) to 5% (for companies with a capital < €0,75 million) of the statutory capital of the company together with other shareholders.

How to Vote & Engage when you are only the beneficial (legal) owner?

What you legally own	Who legally owns the voting rights of the equities	Who decides on voting rights	How can you engage as the beneficial (economic/legal) owner
1. Mutual funds <ul style="list-style-type: none">• SICAV,• FCP, FCPI etc.	*The SICAV * For FCP, FCPI etc. those products are "fonds communes de placement" and unlike the SICAV do not hold a legal status (instead their management company is considered the legal entity)	The fund management company	* Check the fund's portfolio on the fund management company's website * Then write to the company to inquire about their voting policy on the equities held in the fund and as a fund investor tell your voting preferences
2. Unit-linked insurance policies Composed of "units" = usually mutual funds. The most common case in France with 65% of all retail funds. Mutual funds held via specific securities accounts (PEA or PER comptes titres)	* The insurer owns the mutual funds ("units"). The SICAV or the fund company (in case of FCP) owns the voting rights of the stocks held by mutual funds	The "unit" manager (fund management company)	* The process is the same as above with the only addition of reaching to the legal owner first (in this case being the insurer)
3. Personal pensions (Plan d'Epargne Retraite) PER unit linked insurance	For non-insured PER the PER manager owns the mutual funds ("units") The SICAV or the fund company owns the voting rights of the equities held by the mutual funds	The fund management company	<ul style="list-style-type: none">• Same as the above• For non-insured (PER manager replaces insurer)

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4. Corporate pensions <ul style="list-style-type: none"> • PEE (except company equity) • PERCO • Article 83 	<ul style="list-style-type: none"> • For PEE, the manager owns the mutual funds ("units"). The SICAV or company owns the voting rights of the sticks held by mutual funds. • For PERCO, the same rules as above • For Article 83, the insurer owns the Plan, and the SICAV/fund company owns the voting rights of the equities held by mutual funds 	The fund management company	<ul style="list-style-type: none"> • Same as above, except PEE manager replaces the insurer • PERCO same as PEE • Article 83 same as the process under unit-linked insurance policies (it might be difficult to obtain the disclosure of the plan's portfolio of funds)
5. Employee Share Ownership (company equity)	The FCPE investors	The FCPE governing body (special FCPE governance rules apply where the listed company/issuer may have privileges)	* Participate to the FCPE's decision process (election of the governing body, proposals of resolutions to that body etc.)



Shareholders can propose resolutions to the shareholders' meeting, including for non-binding votes on environmental matters.



ENVIRONMENTAL



SOCIAL



GOVERNANCE

Glossary of terminology

Equity	Equity is ownership of assets
Listed companies	A listed company issues stock/equity/shares to the public through a stock exchange
Financial intermediaries	A financial intermediary is an entity that acts as the middleman between two parties in a financial transaction, such as a commercial bank, investment bank, mutual fund, or pension fund
Funds	A fund is a pool of money set aside for a specific purpose. The pool of money in a fund is often invested and professionally managed in order to generate returns for its investors
Resolution	Resolutions are a formal way for shareholders to communicate with the company's management
Capital	While money itself may be construed as capital, capital is more often associated with cash that is being put to work for productive or investment purposes.



Abbreviations

SICAV	Sociétés d'Investissement à Capital Variable/ Investment Companies with Variable Capital
FCP	Un fonds commun de placement
FCPI	Fonds communs de placement dans l'innovation
PEA	Le plan épargne action
PER	Le plan d'épargne retraite
PERCO	Le plan d'épargne pour la retraite collectif
FCPE	Le Fonds Commun de Placement d'Entreprise