



POLICY GOVERNING THE EXERCISE OF VOTING RIGHTS OF PUBLIC COMPANIES

PC-11 SHAREHOLDER PROPOSALS

We support measures enabling minority shareholders to propose certain resolutions at the shareholder meeting.

The content of shareholders' proposals is reviewed on a case-by-case basis, taking into account the principles set out in this Policy and the CDPQ stewardship investing policy.

We are opposed to shareholder proposals that impose arbitrary and undue monetary constraints on management or the board of directors or that are more targeted to the company's operations, which are the responsibility of management. We may also vote against a shareholder proposal when the measures in place within the company seem to us to be almost equivalent to the demands made in the proposal.

PC-11.1 Proposal supported by a majority of shareholders

We expect the board of directors to take measures to follow up on any resolution supported by a majority of shareholders and to report back on these measures within a reasonable time. Disclosure to this effect must be added to its proxy the following year. If no follow-up is provided for such a proposal, the board must provide explanations to the shareholders within a reasonable time. In cases where the company's actions are not justified, we may vote against the chair or the entire governance committee.

PC-11.2 Proposals concerning E&S issues

We encourage companies to take shareholder proposals concerning environmental and social ("E&S") issues seriously, even if they are not supported by a majority of the shareholders. It may take time for these issues to be unanimously accepted, but they are a priority for CDPQ.

PC-11.3 Proposals specifically about climate change

In 2017, CDPQ adopted a climate change strategy that requires the climate factor to be included in all investment decisions. The strategy also proposes targets and mechanisms that allow the organization to concretely and constructively address the transition to a low-carbon economy through its contribution as an investor in the face of this global challenge. In 2019, CDPQ joined the Net-Zero Asset Owner Alliance, which advocates carbon neutrality in portfolios by 2050.

In this context, it is vital for CDPQ to obtain the relevant information from companies. Accordingly, we will generally support proposals that require:

- Disclosure of the governance, strategy and measures adopted by a company in relation to climate change and management of the related risks;
- The adoption of greenhouse gas reduction targets and accountability on achieving them;



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- The development of climate scenario analyses;
- Disclosure based on the framework proposed by the Task Force on Climate-Related Financial Disclosures (TCFD);
- Disclosure of lobbying activities, especially with regard to climate lobbying carried out by companies and their professional associations.

CDPQ may, at its discretion, abstain or vote against the person in charge of the relevant committee or the chair of the board accountable if no progress has been made after a process of commitment concerning the lack of climate change initiatives and measures.

As with all our voting decisions, we will take into account the market on which we are voting.

PC-11.4 Linked proposals

We support resolutions that include multiple items, provided that the overall resolution is in the interests of shareholders.

We do not support linked proposals that have the objective of making one element of the proposal more acceptable by adding elements that garner more support from the shareholders.