

In line with Directive (EU) 2017/828 of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement in particular, this document provides a statement on how the Engagement policy has been implemented during the period 2021.

INTRODUCTION

Arvestar is a joint venture between Argenta Asset Management SA (AAM, a subsidiary of Argenta Spaarbank SA) and Degroof Petercam Asset Management (DPAM).

Arvestar is part of the Argenta Group and has been appointed as the management company of the Argenta pension saving funds and of Argenta DP (the “Funds”).

Degroof Petercam Asset Management has been appointed as Investment manager of the funds and implements the Investment policy (including ESG strategy) of the Funds.

Arvestar has delegated the exercise of the voting rights into the Funds to DPAM in its capacity as Investment manager. The Funds are also in scope of DPAM’s engagement policy which is consistently applied to all investment funds managed by DPAM.

Arvestar refers to DPAM’s voting and engagement activity reports, which are available on DPAM’s website (<https://funds.degroofpetercam.com/responsible-investment.html>), for more information on this subject.

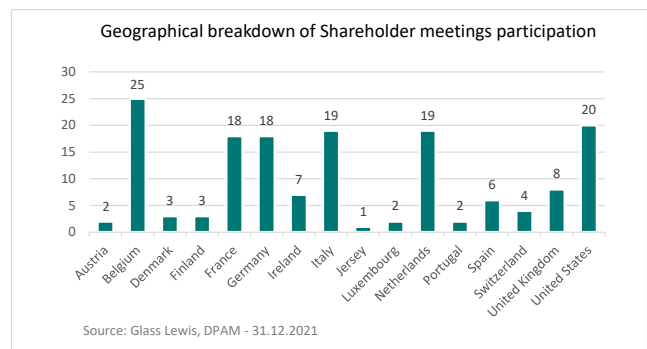
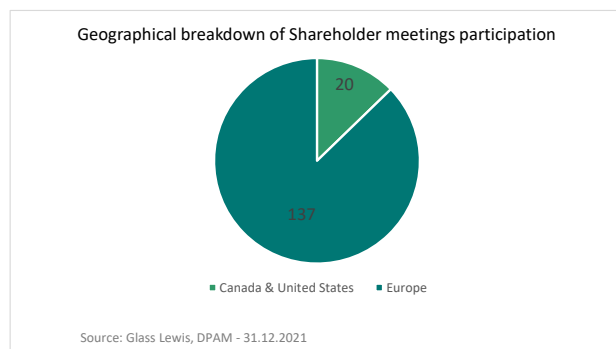
VOTING ACTIVITY 2021

As stated above, DPAM exercised the voting rights attached to the shares held in the Funds including their sub-funds during the period under review (2021).

IVOX Glass Lewis GmbH (Ivox GL) assists DPAM in executing proxy instructions and in analysing the proposals of the shareholder meetings’ agendas, as referred to in the Voting Policy of DPAM.

Similarly referred to in the Voting Policy, the materiality threshold to activate the voting instruction is defined as 0.5% of AUM in one sub-fund and € 1 million.

During the year 2021, the funds took part to **157 general and extraordinary shareholders’ meetings** of which 137 in Europe and 20 in North America which is similar to previous year’ statistics (167 meetings in 2020).



The Funds made their voice heard in **130 companies** for a total of **2.065 resolutions** (2.306 in 2020).

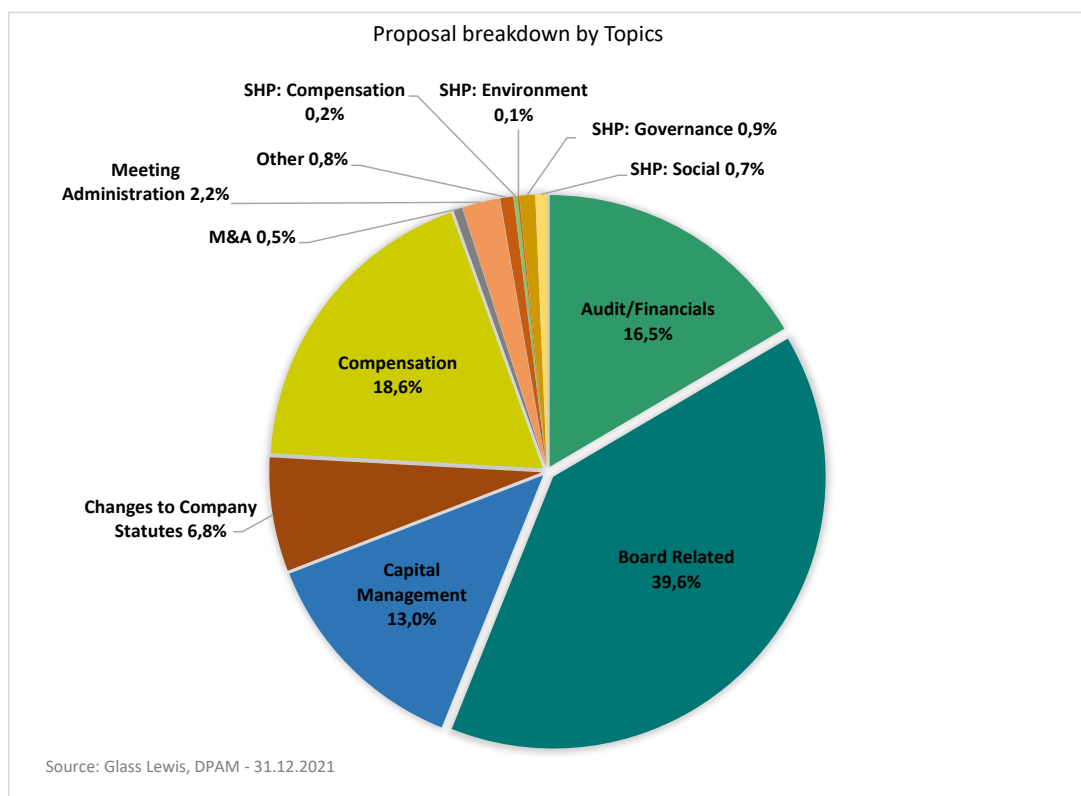
The majority of the resolutions naturally came from the management. The proposals submitted by shareholders remain in the minority (1,9% of the total number of resolutions on which the Funds have expressed an opinion).

	Mgmt Proposals	SHP Proposals	Total Proposals
For	1771	18	1789
Against	206	17	223
Abstain	48	5	53
Mixed	0	0	0
Take No Action	0	0	0
Unvoted	0	0	0
Totals	2025	40	2065

Source: Glass Lewis, DPAM - 31.12.2021

Of the 2.065 resolutions voted on, the Funds abstained in a limited number of cases (53 resolutions or 2,6%) of cases, illustrating determination to express shareholder opinion whilst giving some time to adapt to companies in specific situations¹. The Funds voted against the resolution in 10,8% of cases, a rate of protest in line with last year.

The agenda items remain very conformist, i.e. mainly composed of items relating to the Board of Directors, audit and financial results, remuneration of executive functions and capital management.



¹ DPAM to whom the exercise of the voting rights has been delegated typically votes « abstain » on some election of board directors the first year when the independency of the Board could be improved. This is part of DPAM engagement dialogue with companies

THEMATICS OF UNFAVORABLE VOTES

Proponent	Proposal Category Type	For	Against	Abstain	Total
Management		1771	206	48	2025
	Audit/Financials	340	1		341
	Board Related	716	81	20	817
	Capital Management	225	44		269
	Changes to Company Statutes	122	18		140
	Compensation	298	59	28	385
	M&A	10	1		11
	Meeting Administration	46			46
	Other	14	2		16
ShareHolder		18	17	5	40
	SHP: Compensation	1	3	1	5
	SHP: Environment	2			2
	SHP: Governance	7	8	4	19
	SHP: Social	8	6		14
Total		1789	223	53	2065

Source: Glass Lewis, DPAM - 31.12.2021

During the period under review, the Funds supported management in 87,5% of cases but voted against the proposed resolutions in 10,2% of cases. Our adverse voting instructions essentially focused on board related topics due to the lack of independence of the Board of Directors and compensation mainly due to poor overall design and compensation disclosure in the remuneration policy /report. With regard to capital management, our votes "Against" mainly relate to capital increases deemed as leading to excessive dilution of existing shareholders or anti-takeover measures (poison pills) which are generally not considered in the best interest of shareholders.

Regarding the 40 proposals coming from shareholders, i.e. 1,9% of the total proposals on which the Funds voted, the Funds voted "For" in 45% of the cases.

Voting instructions are given in accordance with DPAM's active voting policy, which was extensively revised during the year to incorporate best practice and the latest regulatory developments.

Arvestar verified that the voting policy has been consistently applied throughout the period under review.

To this end, we obtained assurance about the 59 resolutions (2,9% of cases) where manual voting indications (i.e. different from the guidelines set out in the voting tool) have been instructed.

In line with the voting policy, certain agenda items have deliberately been left to the discretion of the voting committee of DPAM on a case-by-case basis to maintain ability to critically analyse certain situations or to allow companies a certain amount of time to adapt to the voting policy commitments.

These were essentially resolutions on the appointment or re-election of directors due to the lack of independence of the boards of directors with which DPAM entered into dialogue and to which DPAM allowed a certain amount of time to adapt. Capital increases through the issue of new shares or convertibles or in kind are also subject to an in-depth study on a case-by-case basis, considering the specificities of the economic sector in question (common practice of listed real estate companies, for example). Another topic is the advisory vote on executive compensation as a dialogue process during the first year to promote best practices is encouraged.