

ENGAGEMENT ACTIVITY REPORT

Period 2023

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, this document provides a statement on how the Engagement policy has been implemented in 2023.

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 ([Voting and engagement \(dpaminvestments.com\)](https://www.dpaminvestments.com)), for more information on this subject.

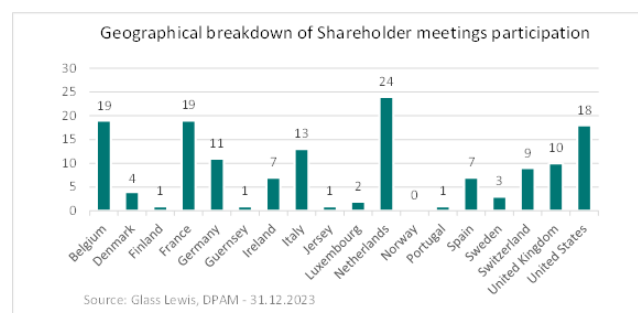
VOTING ACTIVITY 2023

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 (2023).

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 at least € 1 million.

During the year 2023, the funds took part to **150 general and extraordinary shareholders’ meetings** of which 132 in Europe and 18 in North America which is similar to previous year’ statistics (149 meetings in 2022).



The Funds made their voice heard in **135 companies** and participated to the vote of **2.416 resolutions** (2.156 in 2022) on the agenda of those meetings of which 2.110 votes “For” and 220 “Against”.

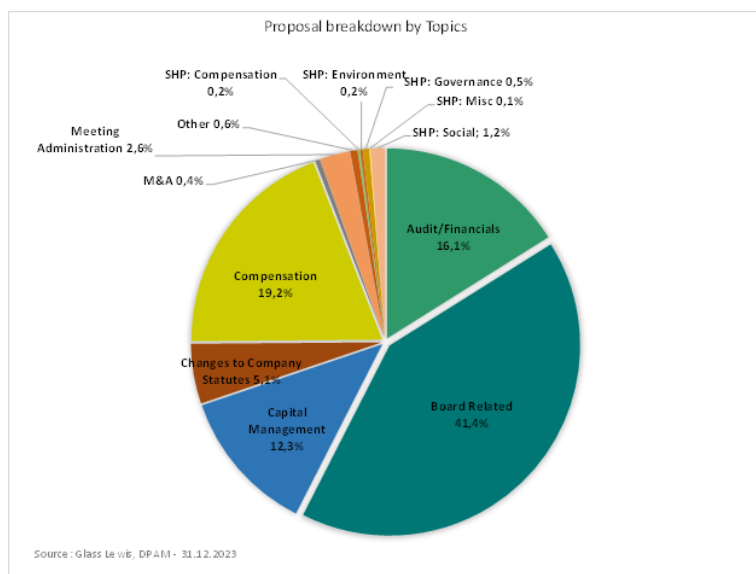
The majority of the resolutions still came from the management. The proposals submitted by shareholders remain in the minority (2,3% of the total number of resolutions on which the Funds have expressed an opinion).

	Mgmt Proposals	SHP Proposals	Total Proposals
For	2065	45	2110
Against	211	9	220
Abstain	85	1	86
For %	87,5%	81,8%	87,3%
Against %	8,9%	16,4%	9,1%
Abstain %	3,6%	1,8%	3,6%
Totals	2361	55	2416

Source : Glass Lewis, DPAM – 31.12.2023

Of the 2.416 resolutions voted on, the Funds abstained in a limited number of cases (86 resolutions or 3,6% 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 9,1% of cases, a rate of protest comparable to last year (9,3%).

The agenda items remain very similar to the previous voting season, 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 & 1 Year	Against	Abstain	Total
Management		2065	211	85	2361
	Audit/Financials	385	3		388
	Board Related	900	69	32	1001
	Capital Management	255	41	1	297
	Changes to Company Statutes	113	9	1	123
	Compensation	332	84	49	465
	M&A	10			10
	Meeting Administration	59	3		62
	Other	11	2	2	15
ShareHolder		45	9	1	55
	SHP: Compensation	5			5
	SHP: Environment	5			5
	SHP: Governance	9	3	1	13
	SHP: Social	23	6		29
	SHP: Misc	3			3
Total		2110	220	86	2416

Source: Glass Lewis, DPAM - 31.12.2023

During the period under review, the Funds supported management in 87,5% of cases but voted against the proposed resolutions in 8,9% 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, excessive increases or awards not linked with performance. The voting policy allows some flexibility regarding these best practices and to vote abstain the first year while initiating an engaged dialogue with the company to explicitly list what are our expectations for the years to come.

We hence have voted against related agenda items in 2023 at companies where we raised concerns in 2022 on their board independence, remuneration report and policy, the compliance with one-share one-vote one-dividend standard, Say-on-climate plan and progress, CEO/Chairman separation, and in which our apprehensions were not considered in their decision-making process.

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).

Regarding the 55 proposals coming from shareholders, i.e. 2,3% of the total proposals on which the Funds voted, the Funds voted "For" in 81,8% of the cases.

Voting instructions are given in accordance with DPAM's active voting policy.

Arvestar verified that the voting policy has been consistently applied throughout the period under review. about the 106 resolutions (4,4% 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 some 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 started dialogue also allowing additional time to adapt. Another topic is the advisory vote on executive compensation as a dialogue process during the first year to promote best practices. Shareholders' proposals can be diverse and require a case-by-case analysis.