

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 2022.

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.

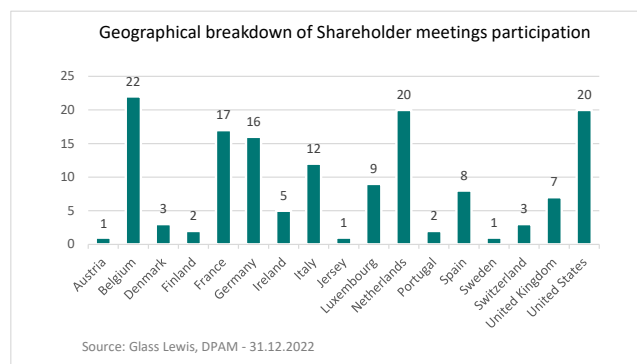
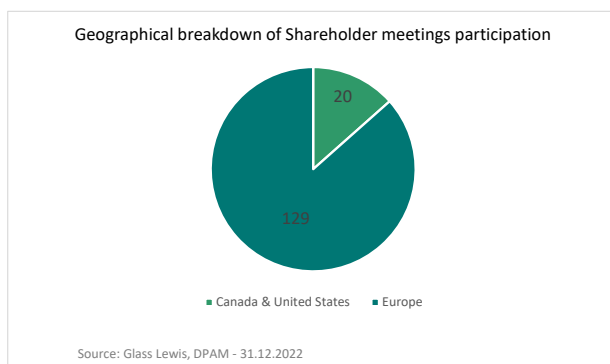
VOTING ACTIVITY 2022

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 (2022).

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 2022, the funds took part to **149 general and extraordinary shareholders’ meetings** of which 129 in Europe and 20 in North America which is similar to previous year’ statistics (157 meetings in 2021).



The Funds made their voice heard in **135 companies** and participated to the vote of **2.156 resolutions** (2.065 in 2021) on the agenda of those meetings of which 1.892 votes “For” and 200 “Against”.

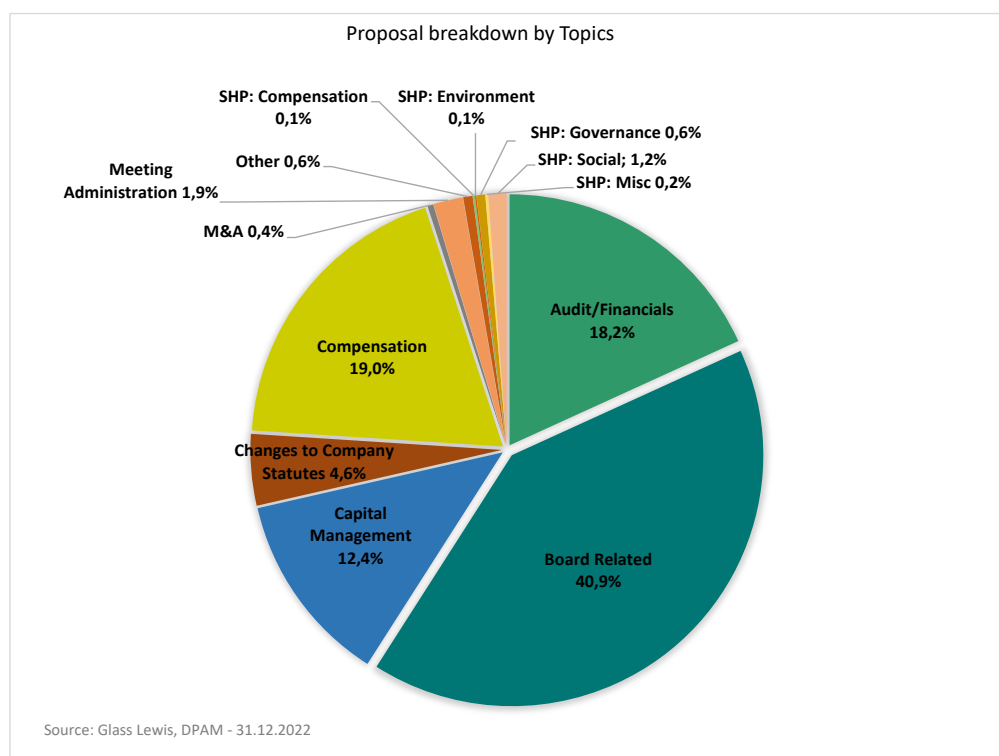
The majority of the resolutions still came from the management. The proposals submitted by shareholders remain in the minority (2,1% of the total number of resolutions on which the Funds have expressed an opinion).

	Mgmt Proposals	SHP Proposals	Total Proposals
For	1864	28	1892
Against	186	14	200
Abstain	59	4	63
1 Year	1	0	1
Totals	2110	46	2156

Source: Glass Lewis, DPAM - 31.12.2022

Of the 2.156 resolutions voted on, the Funds abstained in a limited number of cases (63 resolutions or 2,9%) 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 9,3% of cases, a rate of protest similar with last year (10,8%).

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	Against	Abstain	1 Year	Total
Management		1864	186	59	1	2110
	Audit/Financials	390	2			392
	Board Related	789	74	18		881
	Capital Management	239	26	2		267
	Changes to Company Statutes	72	19	8		99
	Compensation	315	63	30	1	409
	M&A	7	1			8
	Meeting Administration	41				41
	Other	11	1	1		13
ShareHolder		28	14	4		46
	SHP: Compensation	2	1			3
	SHP: Environment	2				2
	SHP: Governance	4	4	4		12
	SHP: Social	16	9			25
	SHP: Misc	4				4
Total		1892	200	63	1	2156

Source: Glass Lewis, DPAM - 31.12.2022

During the period under review, the Funds supported management in 88,3% of cases but voted against the proposed resolutions in 8,8% 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.

With regard to capital management, the voting policy explicitly mention the cases in which we vote abstain or against, i.e. excessive proposed increase, explicit purpose to strengthen a takeover defence or absence of preemptive rights when deemed appropriate. We did not support proposals regarding changes to company statutes when these lack of disclosure or could be used as anti-takeover device.

Regarding the 46 proposals coming from shareholders, i.e. 2,1% of the total proposals on which the Funds voted, the Funds voted "For" in 60,9% 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.

To this end, we obtained assurance about the 74 resolutions (3,4% 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 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. Another topic is the advisory vote on executive compensation as a dialogue process during the first year to promote best practices is encouraged. Shareholders' proposals can be diverse and also require a case-by-case analysis.