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Voting Policy

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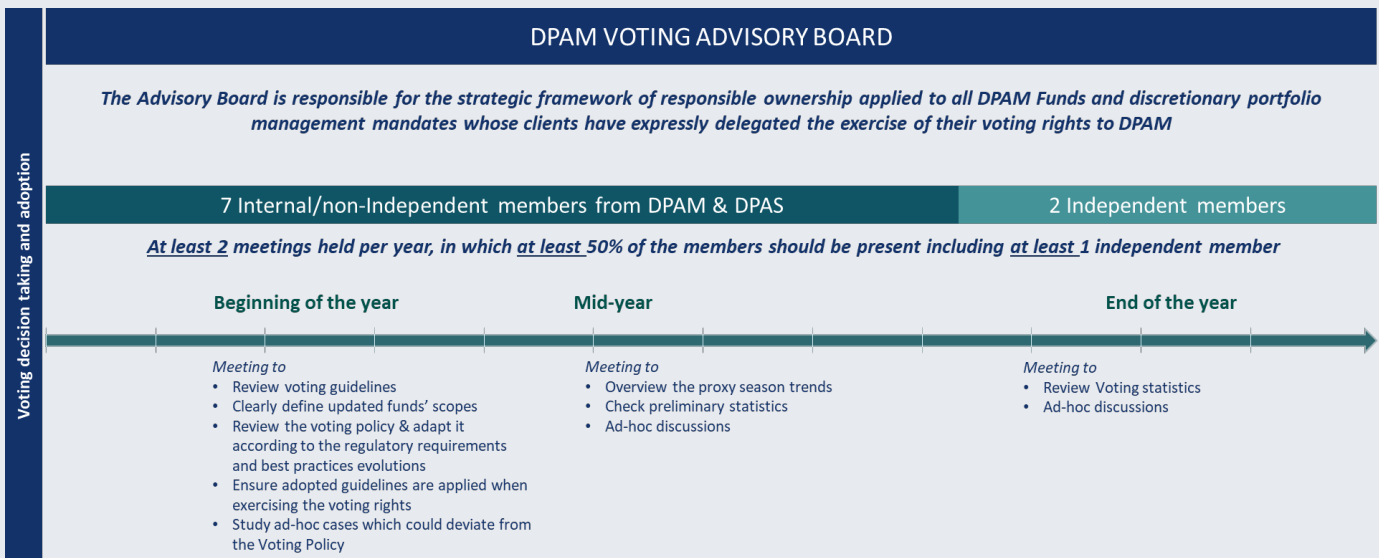
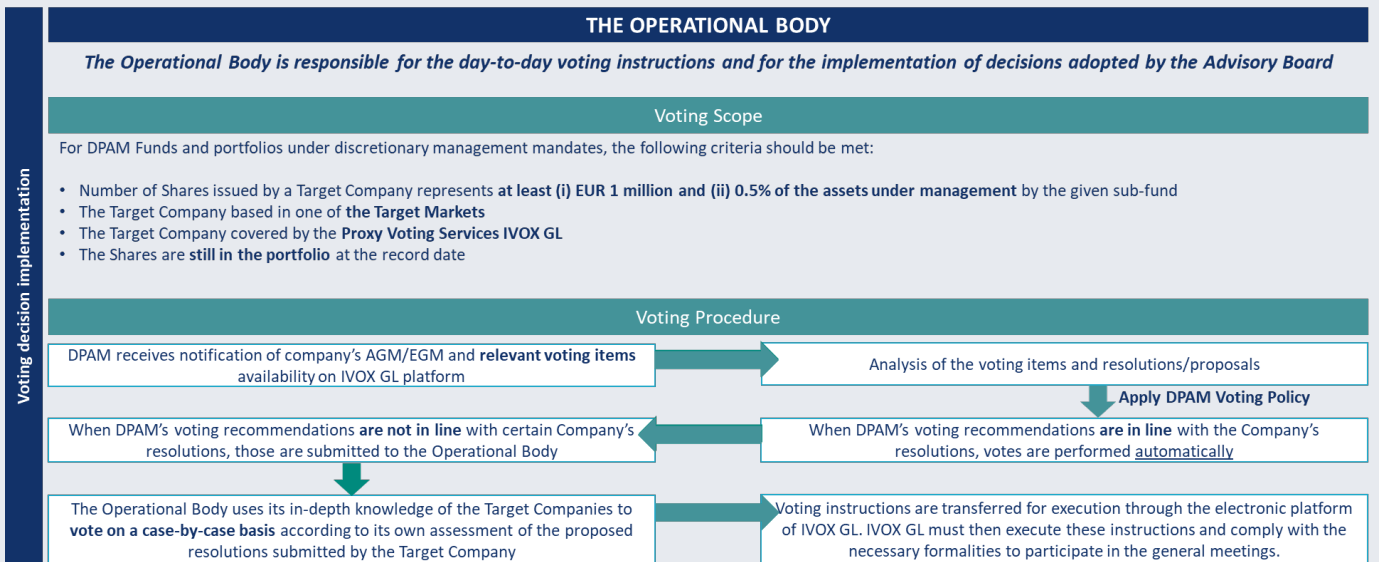
 DPAM

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DPAM Active Voting processes overview



I. Introduction

This document is the voting policy (hereinafter referred to as the “Voting Policy”) of Degroof Petercam Asset Management (hereinafter referred to as “DPAM”), a subsidiary of the Degroof Petercam Group. It has been validated by the Management Board of DPAM.

1. Objective

This Voting Policy outlines the corporate governance values and principles that DPAM advocates and implements across listed companies in which the DPAM Funds (as defined below) invest. It also describes DPAM's approach as a responsible investor.

DPAM focuses on investing in sustainable, high-quality companies for the long term. Investing in well-managed companies is a key element and an integral part of DPAM's investment policy.

An efficient corporate governance system, established through control mechanisms and appropriate checks and balances, contributes to fostering sound company management and the better understanding of risks. Our long-term track record benefits from proper governance.

DPAM acknowledges its social responsibility and believes that dialogue and active participation in the general meetings of companies in which DPAM Funds invest are essential for sustainable engagement. This approach fosters a responsible and viable financial system for future generations. Within this framework and based on fundamental and qualitative research, meeting with company managers lies at the heart of the investment management process. Assessing quality and sustainability factors is at the core of our integrated investment approach. This stance is part of DPAM's DNA.

2. Scope

For coherence and efficiency, this Voting Policy applies consistently to all investment funds managed by DPAM (by designation) or those that have delegated the exercise of their voting rights in listed companies (excluding investment funds) to DPAM (hereinafter referred to as “DPAM Funds”). However, this Voting Policy does not affect the independent exercise of voting rights associated with the shares and other securities granting the right to vote, held by the DPAM Funds. In that sense, each DPAM Fund has separately endorsed this policy. In all circumstances, voting rights are exercised in compliance with the investment objectives and policy of the relevant DPAM Fund and in the best interest of its shareholders, in accordance with applicable laws. Additionally, DPAM exercises voting rights in listed companies for institutional clients with discretionary portfolio management mandates who have expressly delegated the exercise of such rights to DPAM in accordance with this policy.

Note: Convertible bonds are not part of our voting scope.

3. Regulatory context and interaction with other DPAM policies

This Voting Policy considers the requirements of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC concerning the encouragement of long-term shareholder engagement (“SRD II”). This Directive establishes requirements for asset managers to ensure effective and sustainable shareholder engagement when exercising shareholder rights attached to voting shares at the general meetings of companies having their registered office in a Member State and whose shares are admitted to trading on a regulated market situated or operating within a Member State.

DPAM’s shareholder engagement policy, in general and within the meaning of SRD II in particular, consists of the following policies:

- this Voting Policy
- the Engagement Policy: DPAM’s vision of being a responsible investor is articulated in three pillars:
 - raising key questions about the consequences of our investment activity;
 - being a shareholder who engages in constructive dialogue with invested companies and ensuring the rights of shareholders are fully respected and exercised; and
 - being committed to long-term objectives and sustainable financing.
- To achieve this, DPAM has placed **dialogue** with various stakeholders at the heart of our fundamental research and investment process and approach. This policy describes DPAM’s rationale for engaging with companies, our expectations, and the various channels used, from formal dialogue through collaborative or individual engagements to more informal engaged dialogue during numerous meetings with the management of invested companies, organised by the research and investment teams.
- The **Sustainable and Responsible Investment Policy**: investors and asset owners are increasingly aware of global challenges such as climate change, changing demographics and disruptive technologies, for example. Regulation has also embraced the topic of sustainability and is increasingly requiring investors to take responsibility, particularly in financing the transition to a low carbon economy. As a result, the way financial analysis is performed has significantly changed. It is crucial to focus on the fundamentals of a state or a company and to develop our understanding of the global environment in which it operates with a long-term perspective. This policy describes the approach DPAM has developed to integrate ESG challenges – from both risk and opportunity perspectives – into its different areas of expertise, strategies, and portfolios. The approach is based on pragmatism and dialogue and aims to be holistic and transversal, meaning all economic sectors are included, without any exclusion of specific, inherently unsustainable sectors that would be considered ESG-unfriendly by default. No sustainable dimension prevails over another; environmental, social, and governance factors are equally important. Through an open, constructive, and dynamic process, DPAM is well-equipped to share its definition of ESG factors and how these are integrated throughout the entire investment value chain, both from an integration and an engagement perspective.
- the **Controversial Activities Policy**: negative screening, particularly controversial activity screening, plays a crucial role in ensuring that investment portfolios are not exposed to corporate activities deemed unethical, irresponsible, or unsustainable. Through this policy, DPAM aims to communicate transparently about the business activities and sectors it excludes from its investment strategies and the ESG integration approach it has adopted for controversial activities that do not lead to hard exclusion by default.

II. DPAM - sustainability in our DNA

Convinced of the added value of environmental, social and governance (ESG) integration in general and sustainable investments in particular, DPAM initiated its roadmap to excellence in sustainable and responsible investment in 2001.

DPAM has been a signatory to the Principles for Responsible Investment advocated by the United Nations (UN PRI) since September 2011. By adhering to these, DPAM commits to adopt and implement the six UN PRI guiding principles, to:

1. incorporate ESG issues into investment analysis and decision-making processes;
2. be active owners and incorporate ESG issues into our ownership policies and practices;
3. seek appropriate disclosure on ESG issues by the entities in which we invest;
4. promote acceptance and implementation of the Principles within the investment industry;
5. work together to enhance our effectiveness in implementing the Principles;
6. report on our activities and progress towards implementing the Principles.

DPAM publicly demonstrates its commitment at the highest level to consistently integrate ESG factors as an actively sustainable asset management firm and to be an active owner, who incorporates ESG issues into its ownership policies and practices for a longer-term investment approach with a sustainable focus.

The sustainability process at the heart of our strategies reflects our commitment to sustainable and responsible investments:



to defend fundamental rights pertaining to the respect for human rights, labour rights, anti-corruption, and environmental protection;



to assess the gravity of controversies that issuers may face; to divest or avoid financing companies that are seriously and/or repeatedly involved in controversies, notably when they may affect corporate reputation, long-term growth, and investments;



to promote best practice and encourage ongoing efforts towards sustainability.

4. A responsible shareholder

Taking part in the shareholder meetings of our investee companies is a tenet of our social responsibility.

It is an efficient way of showing our commitment to a more sustainable financial industry, to advocate for sustainable growth and a long-term risk management approach. General meetings are a good venue for exchanging ideas between shareholders and company executives. This allows well-informed investors to address specific issues in a more detailed manner or to raise pertinent questions.

By adopting this approach, DPAM advocates a vision that shows greater respect for all people and their environment in the long term. As investment horizons become constantly shorter, it is important to put the shareholder at the heart of the company as a co-owner who places its longevity above short-term profits.

Two important points regarding our shareholder responsibility.

Firstly, we have adopted an active voting policy, this Voting Policy, this means that we do not blindly vote in line with the management or in line with proxy voter recommendations. We support shareholders' resolutions, particularly regarding ESG questions, when these are relevant and aim to improve the company's engagement on those key challenges. We have our own voting guidelines and we reserve the right not to follow strictly the recommendations of the proxy voter to give time to companies to adopt best practices in terms of governance when flexibility is required for a good corporate governance model transition.

Secondly, in the framework of this engaged dialogue with companies, we inform companies beforehand of our voting intentions on five main themes: lack of information regarding board member election, independence of the board of directors, anti-takeover defences, multiple voting rights, remuneration and say on pay and transparency of the executive pay report. Our sustainable offering aims at being transparent at all levels, including in our investment policy, our sustainable criteria, and in our reporting. For the sake of full transparency, our voting intentions are determined prior to general meetings in the vast majority of cases, as suggested by best practice in this area.

III. Key drivers of our voting policy

The principles listed below are the fundamental values defining the overall framework for the votes issued during the general meetings of listed companies in which DPAM Funds invest.

These principles, aimed at exercising voting rights in a clear manner and in the best interest of shareholders, are based on established corporate governance principles and the recommendations of, but not limited to, the **OECD**, the **ICGN** (International Corporate Governance Network), and the **United Nations Principles for Responsible Investment**, the applicable national laws derived from **European directives and regulations**, the **Glass Lewis policies** in its role as DPAM advisor, the **TCFD** (Taskforce on Climate-related Financial Disclosures) guidelines and recommendations, and **other voting principles** applicable to Asset Managers, as long as they do not contravene the decisions sovereignly taken and justified by the DPAM operational body.

These principles have been established by the SRI Steering Group, a group of about twelve professionals from various departments in DPAM, whose objectives include (i) reflecting on ESG challenges, (ii) ensuring that our approach, methodology, products and services remain transparent and coherent, and (iii) ensuring that our principles for responsible investment align with the six Principles of Responsible Investment set out by the United Nations. The principles are revised on an annual basis to optimally address legal and regulatory changes as well as international best practice in terms of corporate governance.

They consist of four elements:

- protection of shareholders;
- sound corporate governance;
- transparency and integrity of information; and
- social and environmental and good governance responsibility.

1. Protection of shareholders

1.1 Protecting the long-term interest of shareholders

The creation of long-term value must be the main objective of the companies targeted by this Voting Policy. This can only be achieved by upholding certain corporate governance principles, which aim to achieve a sound balance between enhancing the entrepreneurial mindset and seeking financial results on one hand and integrating and respecting sustainability criteria (for example, focusing on environmental, social, and governance factors) on the other. These sustainability criteria could aim, for example to enhance profitable creative initiatives and cooperation, to ensure permanent investment in research and development, to strengthen the policy of adding profits to retained earnings to provide a long-term means for future development, and to uphold external objectives such as the protection of society and the environment.

Hence, one of the guiding principles in exercising voting rights will be to protect the long-term and best interests of all shareholders by ensuring that the companies in which DPAM Funds invest adopt strategies aiming to achieve this objective.

1.2 Equal treatment

Shareholders of a company must be treated equally by respecting the principle of “one share - one vote - one dividend” in particular. In line with this principle, any measure aimed at limiting shareholders’ rights (for example creating share classes without voting rights or shares with special rights) will not be supported, except if in the latter case, the proposed measure is duly documented and justified in the long-term interest of the company, to safeguard its own benefit.

In addition, the conditions in which capital increases are organised (notably by means of authorised share capital) will be closely monitored. The instruction “against” will be used to avoid or limit the excessive dilution of existing shareholders (as further detailed in the guidelines set out below under “Guidelines for resolutions – Appendix 2).

Moreover, DPAM considers that anti-takeover measures (for example poison pills) are generally not in the best interest of shareholders. Consequently, it believes that it is not appropriate to approve the establishment and/or implementation of such measures.

1.3 Protection of rights and protection of minority shareholders

DPAM strives to ensure that the companies invested in respect shareholders’ rights in compliance with regulation, notably the tenure of the General Meetings. Should a company have one or more controlling shareholders, it must likewise respect the rights and interests of minority shareholders.

In this regard, DPAM believes that shareholders (including minority shareholders) must have all the information at hand, enabling them to exercise their voting rights in an efficient and meaningful manner. All measures aiming to encourage and facilitate the exercise of voting rights (by proxy, by post, or by remote participation using electronic means) will be supported. Conversely, all measures or decisions aiming to harm the exercise of shareholders’ voting rights will be considered an infringement of the primary right of shareholders to be protected and will not be accepted.

1.4 Cooperation with other shareholders

DPAM fosters collaborative dialogue with other shareholders and is open to collective proposals, but only to such an extent that dialogue and cooperation with other shareholders remains compliant with applicable law and regulation and is not considered as “acting in concert” within the meaning of the EU Transparency Directive and the Takeover Bids Directive.

To demonstrate its commitment towards long-term sustainable financing, DPAM has become a signatory to various organizations that share its aim to advocate financially responsible investments. Furthermore, DPAM’s membership in dynamic international collaborative initiatives allows it to gain better insight into the challenges and opportunities that responsible investment entails.

In addition to our commitment to the UN PRI, we are active members of national forums for responsible investment, in: France (FIR); Spain (Spainsif); Italy (Finanza Sostenibile); and German-speaking countries (FNG).

2. Sound corporate governance, role and composition of the Board of Directors

Investing in companies managed in accordance with sound corporate governance rules is of key importance and is an intrinsic element of DPAM's management policy in the broadest sense.

Therefore, DPAM aims to endorse proposals for resolutions it considers compliant with best practice for corporate governance.

Corporate governance refers to how a company is managed and controlled, for example, the way its management operates, the supervision and control mechanisms it has and its relationship with its different stakeholders, thereby ensuring that the company's management is aligned with the long-term interests of its shareholders.

2.1 Role of the Board of Directors

The responsibilities of the Board include:

- establishing strategy in respect of shareholders and all stakeholders, including a strategy for sustainable corporate governance and a clear commitment to global climate neutrality;
- establishing an audit committee within the board and an external and internal independent audit function;
- ensuring transparency in yearly reports on financial and non-financial indicators in accordance with laws and regulations.

2.2 Composition of the Board of Directors

In order to achieve sound corporate governance, the Board of Directors governing a company must be efficient and independent and must ensure that the decisions taken are in the interest of the company, its shareholders, and other stakeholders.

Overall, as a shareholder with a long-term orientation, we expect that, in terms of best practice, the Board ensures:

- that a healthy balance between executive and non-executive/independent directors on the Board of Directors is guaranteed;
- the functions of Chairman and CEO are separate;
- the appointment (or renewal) of a Board member maintains a balance between executive and non-executive/independent directors on the Board while ensuring that independent directors make up a majority of the seats;
- the candidate is nominated by a fully independent nomination committee;
- sufficiently detailed information is available on the candidate's profile to assess the independence of the candidate;
- The length of the mandate ideally does not exceed six years;
- the candidate does not hold a total of more than five director's mandates in listed companies (or three in case of executive mandates).

DPAM believes that Board of Directors' members should have diverse professional profiles, an appropriate range of skills, complementary experience and knowledge, and a good degree of diversity, for example, gender diversity and ethnic diversity in order to effectively monitor and govern the company and contribute to decision-making that is in its best interest. DPAM expects companies to have at least 1/3 of the underrepresented gender in its board of directors, unless local regulations require a higher percentage.

Quality process and selection criteria are critical when nominating members of the Board of Directors. Such a process must include a **phased renewal** of the board members, a **succession plan** of key functions within the board, and a **regular assessment** of the performance of the board members. DPAM fully supports measures aiming to combat the entrenchment of company directors.

Transparency in the composition of the Board of Directors also helps DPAM assess whether the balance of power in exercising authority is respected. DPAM wants to ensure a fair and equitable allocation of mandates among non-executive, independent directors and (non-independent) executive directors. At least 33% of controlled companies' board of directors should consist of independent directors. This number rises to 50% in non-controlled companies.

2.3 Committees

DPAM considers it important to establish and ensure the proper functioning of committees and advisory boards within companies to investigate issues that may lead to conflicts of interest and advise the Board of Directors accordingly. These committees include, among others, a remuneration and/or nomination committee (1) and an audit and/or risk management committee (2). Any measure that may jeopardise the independence or proper functioning of such committees will not be accepted.

Two thirds of the members of each committee should be independent, and the Chair should be a non-executive and an independent member.

2.4 Conflicts of interest

Given the broad talent pool of directors and the limited number of directors on a board, DPAM believes that shareholders are best served by board members who have no personal conflicts in representing their interests on the board. A board should be entirely exempt from individuals presenting an identifiable and substantial conflict of interest. DPAM also expects directors who may face a potential conflict of interest to refrain from serving on key board committees.

When assessing a potential conflict of interest faced by an individual director, DPAM will consider the specific nature of the professional services relationship between the company and the director, the independent profile of the board and its key committees, and the conflict mitigation procedures in place when making voting recommendations on this basis.

If a director has an interest in a matter under consideration by the board, the director should promptly declare such an interest and must withhold from debating and taking any decision on the matter concerned.

3. Transparency and integrity of financial and extra financial information

3.1 Financial statements

a) General

DPAM believes that any company must provide financial statements and any other significant information (of a financial nature or otherwise) in due time before its general meetings and must ensure that this information is reliable, clear, complete, and, to the extent legally required, properly audited. Investors must be duly informed to make well-informed decisions. This information must also be transparent and published regularly, in accordance with the applicable legal and regulatory requirements, to ensure continuity and total overall clarity.

b) Voting guidelines

Consequently, DPAM reserves the right to vote abstain or to vote against any proposal for a resolution that is not sufficiently documented or that would hinder equal access to information.

DPAM will also vote abstain or vote against the financial statements, management, and auditor reports where: (i) there are concerns about the reliability of the accounts or the procedures followed; (ii) the company is unresponsive to shareholders' requests for information; or (iii) there are concerns about the company's performance, and shareholders do not have the opportunity to express their dissatisfaction through voting against appropriate proposals as they are not included on the agenda. Regarding the appointment of (statutory) auditors and their compensation, DPAM will vote abstain or vote against the decisions where: (i) the company is unresponsive to shareholders' requests for information; (ii) the auditor is changed suddenly and without good reason; (iii) the issues regarding the tenure, fees, and independence of the audit are not in line with best market practice.

Finally, regarding financial results, it is necessary to take them into account at the time of the potential distribution of dividends. DPAM will vote abstain or vote against the decision to allocate income where: (i) the pay-out is not reflective of the company's financial position, considering the cash flow and financial needs of the company in light of corporate and ESG policy and strategy; (ii) there is a concern that the return policy is not in the interest of shareholders; and (iii) the company has a history of poor capital management.



3.2 Remuneration policy

a) Objectives

DPAM believes that the remuneration policy should contribute to the company's business strategy, long-term interests and sustainability. It should also explain how it does so. Long-term interests mean alignment to long-term value creation and sustainability (ESG) as defined by the UN, OECD, the EU or local regulations.

b) Format

DPAM considers it necessary for companies to be transparent about their remuneration policy.

The remuneration policy should be clear and give a good understanding of the total packages paid so that shareholders can assess whether the planned remuneration (global amount of remuneration for the management and the board) is fair, responsible and favourable in the long term.

c) Content

In addition to describing how it contributes to the company's business strategy, long-term interests and sustainability (as set out under paragraph (a) *Objectives*) the remuneration policy should:

- Describe the different components of fixed and variable remuneration, including all bonuses and other benefits, in whatever form, awarded to directors and indicate their relative proportion;
- Explain how the pay and employment conditions of employees of the company were taken into account when establishing the remuneration policy;
- Where a company awards variable remuneration, set clear, comprehensive and varied criteria for the award of such remuneration, including financial and non-financial performance criteria (for example, where appropriate, criteria relating to corporate social responsibility). The policy should also explain how the performance criteria contribute to the objectives set out in paragraph (a) above and the methods to be applied to determine the extent to which the performance criteria have been fulfilled. The company should also specify information on any deferral periods as well as on the possibility for the company to reclaim variable remuneration. The remuneration policy should ensure an appropriate balance between the fixed and variable components of the total remuneration. The fixed component should always represent a sufficiently high proportion of the total remuneration to guarantee the exercise of a fully flexible variable remuneration policy, and in particular, the possibility of not paying any variable remuneration. The determination of the annual variable remuneration should be based on at least the following elements: (a) evolution of the EBITDA¹ of the company; and (b) individual performance of the person assessed based on previously agreed measurable objectives determined by the Board. In the framework of a possible application of the proportionality principle, a system of deferral of the variable remuneration will be supported, as well as the possibility to modify the variable remuneration, even if it was already granted or paid, for reasons that were not known yet or expected at the time of the payment or acquisition of the variable remuneration;
- Where the company awards share-based remuneration, specify vesting periods, vesting price, and where applicable, retention of shares after vesting. The policy should also explain how the share-based remuneration contributes to the objectives set out in paragraph (a) above;
- Indicate the duration of the contracts or arrangements with directors and the applicable notice periods, the main characteristics of supplementary pension or early retirement schemes, and the terms of termination and severance pay and explain the decision-making process followed for its

¹ Earnings before taxes depreciation and amortisation

determination, review, and implementation. This should include measures to avoid or manage conflicts of interests and, where applicable, the role of the remuneration committee or other committees concerned.

DPAM will support any remuneration measures for executive directors that aim to: (i) promote sound and effective risk management while discouraging any risk-taking that would exceed the level of risk tolerated by the company; and (ii) promote the objectives and long-term interests of the company, its shareholders, and other stakeholders by avoiding conflicts of interest. The management remuneration should also promote fairness and equal treatment in terms of remuneration packages and other benefits based on the nature of the functions and responsibilities incurred and should ensure a balance between fixed and variable remuneration in line with local and sectoral market practice.

To achieve this, DPAM checks for the existence of independent remuneration committees responsible for creating clear, transparent remuneration policy that aligns the interests of the management team with those of the company, in the broad sense, as well as implementing it.

d) Say-on-Pay

DPAM supports the “say-on-pay” principle, whereby shareholders can cast their votes (as a binding or advisory decision) on the remuneration policy for members of the board, executive managers or members of an executive committee or executive board. Shareholders should also have the right to vote, at least as an advisory decision, on the company’s remuneration report - essentially, how the remuneration policy is implemented. If shareholders are not consulted on the policy and/or the report, DPAM will engage with the company through its standard letter related to remuneration.

e) Voting guidelines

DPAM will vote against any proposal for a remuneration policy or its implementation if any of the following elements are present:

- Performance targets are changed retrospectively;
- Substantial one-off payments are made without performance criteria;
- Golden parachutes are granted when they are not in the company’s interest and/or are value destructive;
- Sign-on arrangements and severance packages exceed market best practice;
- Pension arrangements are significantly out of step with those of the broader workforce;
- Bonus payments are made when the company has not made any profits over the last two years;
- No clawback provisions are in place for the long-term incentive plan.

DPAM believes in the principle of fairness in remuneration, particularly for executive management, which cannot be disproportionate to the evolution of the median employee’s remuneration or the relevant peer group. This means that remuneration must be justifiable based on relevant objective criteria, taking into account the risks involved, as risks exist for all employees, not just managers. The overall amount of compensation must be consistent with the company’s situation, current practices in the country and sector concerned and companies of equivalent size.

If the policy is revised, all significant changes should be described and explained, including the extent to which these changes reflect shareholders’ votes and feedback on the policy and reports following the most recent vote on the remuneration policy during the general meeting of shareholders.

3.3 Tax policy

International tax law is constantly evolving as is the need for transparency on taxes. Therefore, to increase shareholders' understanding of companies' tax policy and strategy, DPAM requires invested companies to have a proper Tax Control Framework and to comprehensively present detailed information on the company or group's tax position, in line with the GRI Tax Standard 207, including:

- the effective tax rate calculation;
- nature of deferred taxes;
- tax strategy;
- ongoing tax litigation;
- major tax risks; and
- the new Pillar II global minimum tax calculation.

Companies should regularly update and clearly summarise this information to make it accessible to non-tax experts.

Furthermore, they should describe how their tax policies align with the overall business strategy and with the economic value generated and should have a strong tax governance and management framework to oversee tax-related matters.

4. Environmental, social and good governance responsibility

Being a responsible investor, DPAM fully supports shareholders' and managements' ESG-related proposals, in complete alignment with its global commitment. This includes:

- Signing the 6 Principles of Responsible Investment, which were backed by the United Nations in 2011;
- Supporting the TCFD recommendations and being a signatory of the Climate Action 100+ initiative, which promotes climate risk oversight by the board of directors;
- Recently joining the Net Zero Asset Management (NZAM) initiative, committing to achieving net zero greenhouse gas emissions by 2050 or sooner;
- Adhering to the OECD recommendations regarding the social and environmental responsibility of companies;

The DPAM investment process is based on defending global standards, such as the UN Global Compact, ILO instruments, OECD Multinational Enterprises Guidelines, UNGPs, and underlying conventions and treaties.

Social, environmental and economic objectives must be integrated into the company's goals, and the Board of Directors' primary mission is to uphold them. In addition to assessing the commercial and reputational impact of the company's activities, the Board of Directors must also understand their environmental and social implications. To achieve this, management must ensure that the necessary procedures and controls are in place.

DPAM considers a company to be managed in a responsible and sustainable fashion when it is managed in accordance with applicable corporate governance rules, when its human capital is at the heart of its interests and not exclusively seen as a cost item, and when it respects the environment in which it operates.

A- Case-by-case voting on climate risk management

Effective corporate management entails evaluating and managing key or material environmental and social risks. Proper, transparent, and integrated reporting of these ESG risks by corporates helps investors gauge their potential investment impact, since as an investor, it is our fiduciary duty to consider these risks within the investment decision making process. Hence, it is our firm belief that companies should identify and communicate these risks to shareholders in their annual, integrated disclosures and ensure consistency between the identified risk and the financial disclosures as this would allow proper integration.

Stemming from DPAM's climate risk approach to implementing the TCFD Recommendations and its escalation tactics as defined in its Engagement Policy, we defined a more targeted approach within our voting activities. Following internal assessments and dashboarding tools to assess the performance of our investees on the principles of proper climate risk management, integrated accounting, aligned remuneration and executive oversight and accountability, the following case-by-case voting escalation actions can be taken:

TOPIC	General (overall)	Accounts	Remuneration	Oversight/expertise
RATIONALE	↓ Escalation due to general unsuccessful engagement or progress (collab & indiv).	↓ Escalation due to unsuccessful engagement or progress concerning capital alignment or risk management (insufficient disclosure/consideration).	↓ Escalation due to unsuccessful engagement or progress concerning linking remuneration with climate target or climate-conflicting incentives.	↓ Escalation due to unsuccessful engagement or progress concerning Board or executive oversight or expertise on climate
VOTING CASCADE	↓ 1. Chairman* 2. Directors*	↓ 1. Chair Audit Committee* 2. Annual Report/ Accounts 3. Auditor*	↓ 1. Chair Remuneration Committee* 2. Remuneration Policy 3. Remuneration Report	↓ 1. Chair Nomination Committee* 2. Chairman ** 3. Directors**
FOLLOW-UP	↓ • Letter to Board • Letter to company	↓ • Letter to Audit Committee • Letter to Auditor • Letter to Board • Letter to company	↓ • Letter to Remuneration Committee • Letter to Board • Letter to company	↓ • Letter to Nomination Committee • Letter to Board • Letter to company

* Only re-election votes
** New nominees in case already missing expertise in Board + no additional insights

ESG shareholder proposals (SHP)

Generally, DPAM tends to support shareholders' proposals when these are aligned with its global engagement principles for example, aligned with DPAM's objective to defend fundamental rights (Global Standards); aligned with DPAM's controversial activities policy; aligned with DPAM's engagement priorities and DPAM's global commitment to NZAM.

As shareholders' proposals can be diverse, comprehensive guidance on how our voting principles are implemented cannot be exhaustive. Proposals will require regular case-by-case analysis, where DPAM will be attentive to the following criteria of the SHP: materiality; engagement outcomes; current company performance on the topic and the company's required actions.

In terms of the environment, particularly the climate, the proposals will be assessed within the framework of our climate commitment. This includes examining whether the proposals encourage transparency, carbon disclosure, and strategies that align with the Paris Agreement. DPAM will also consider whether the proposal sets a net zero target/ambition, with short term and intermediate targets established in line with the Paris Agreement, and whether it is scenario-based and aligned with the Taskforce on Climate Financial Disclosures (TCFD) recommendations.

DPAM will engage in dialogue with the company on all Say on Climate proposals, whether they come from management or shareholders.

Regarding Climate Transition Plans, the assessment indicators comprise the following:

- A corporate commitment or ambition to achieve Net Zero by 2050, covering all relevant GHG emissions.
- Medium-term targets that align with the 1.5°C scenario or which have been validated and recognised by the SBTi (Science-Based Target initiative) for scope 1&2 GHG emissions and relevant scope 3 GHG emissions.
- A decarbonisation plan that includes a quantified strategy, detailing capital allocation alignment, climate risk, accounting disclosures/considerations, resilience and alignment with 1.5°C scenario and auditor references).
- Public disclosure of reporting that aligns with the TCFD recommendations, included in the Annual Report and Accounting Principles.
- An indication or/disclosure on the consequences and implications of the voting outcome (for example, advisory/binding nature).
- Linking executive remuneration/compensation to the climate targets (STIP or LTIP), without conflicting performance-related pay criteria.
- Regarding the Report on Climate Transition Plans, the assessment indicators comprise the following:
 - Evidence of a year-on-year short-term carbon (equivalent) intensity or absolute reduction; or alternatively evidence of a long-term carbon (equivalent) intensity or absolute reduction, compounded over three years;
 - Progress against the reduction trajectory implied by existing GHG emissions reduction targets;
 - Operational emissions progress (for example, separate assessment of operational emissions progress against an intensity indicator);
 - A publicly disclosed reporting aligned with the TCFD recommendations, included in the Annual Report and detailing at least capital allocation and accounting consideration; and
 - An indication or disclosure of the consequences and implications of the voting outcome (advisory/binding nature).

In close cooperation with the research carried out on issuers regarding their climate strategy, the voting guideline will be to abstain from voting in the first year to encourage the company to adopt the indicators in their transition policy. If, in the years that follow, these elements are not present, then DPAM will vote against.

DPAM will defend its key priorities, notably human rights in the supply chain and data privacy. Other social performance indicators will also be taken into account when voting. These indicators cover a broad range of topics, including:

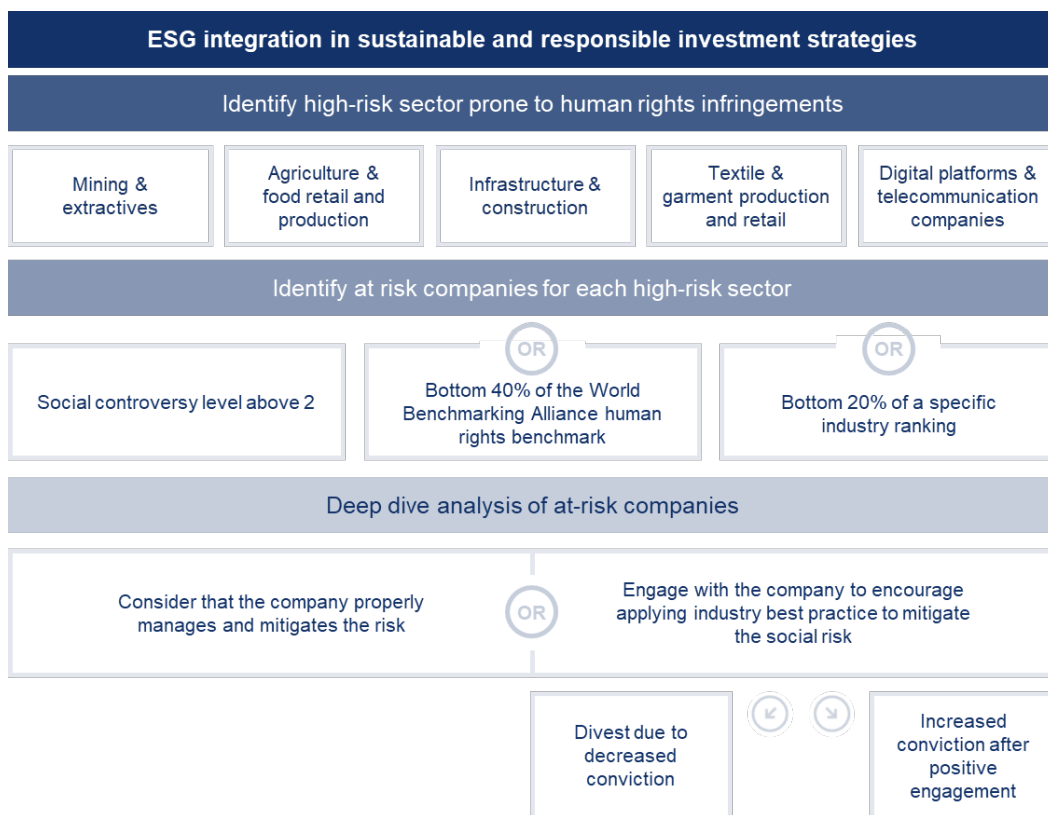
- Diversity at the company level and different management and executive levels, including the Board of Directors, executives, senior leadership, managers, and other leaders;
- Pay equality between women and men, with DPAM supporting best practice to close the gender pay gap;
- Employee retention and turnover, which are considered good indicators of a company's organisational success, among other metrics;
- Employee training and coaching to build critical skills, increase knowledge, and become familiar with local ways of working; and
- Health and safety metrics such as workplace injury rates, especially when analysing industrial companies.

Ensuring that the company and its suppliers comply with the ILO Declaration on fundamental principles and rights at work is essential.

On the governance side, in full alignment with the TCFD and Climate Action 100+, DPAM supports Boards that oversee ESG-related risks and opportunities. Section 2 “Sound corporate governance, role and composition of the Board of Directors” details the key requirements in terms of corporate governance. Nevertheless, other broader governance topics might be voted on, too. These can be related to business ethics and integrity, tax strategy or supply chain management, to name a few.

It should also be noted that recent years have been characterised by a rise in so-called ‘anti-ESG/anti-climate’ shareholder proposals). These proposals are sceptical of corporate environmental, social and governance initiatives and are often not aligned with SRI objectives and are currently receiving limited support. To ensure we align our voting activities with our SRI commitments, we should remain vigilant to SHP proposals. Hence, a case-by-case analysis of SHP proposals is required to ensure we vote in line with our fiduciary duties (and integrated SRI commitments and objectives).

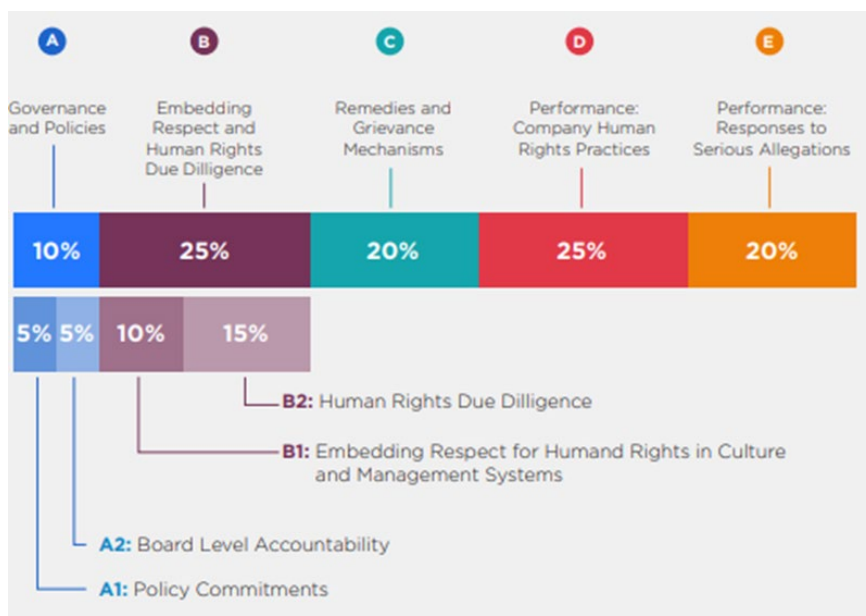
B- Case-by-case voting on social risk management



We have identified five high-risk sectors that are prone to human rights infringements. Each quarter, we analyse one of these sectors to identify companies at risk of human rights breaches, using three different methods:

- if the controversy level is above 2 according to our data provider Sustainalytics,
- if the company is in the bottom 40% of the World Benchmarking Alliance for human rights,
- or if the company is in the bottom 20% of a specific industry ranking (for instance: Fashion Transparency Index, Know The Chain).

Once these companies are identified, we build an in-depth scorecard that includes multiple KPIs to measure various facets of human rights at both the company and supply chain level. Based on this scorecard, two outcomes are possible: either we determine that the company is properly managing and mitigating risks, or, if they are not, we engage with the company to encourage the application of industry best practices to mitigate social risks. As part of the engagement process, we can **propose to vote against the CEO/Chairman and/or the compensation committee/remuneration report**, and/or **other relevant agenda's items** before considering divestment from the company.



Corporate Human Rights Benchmark

In addition to this method, we also steer our voting instructions based on the Corporate Human Rights Benchmark by the World Benchmarking Alliance (WBA²)^{*}. This benchmark receives an annual update and covers 200 companies. We consider pillar B2 of the analysis to be key, which focusses on Human Rights Due Diligence processes. These processes serve as the leading indicator for preventing major controversies and ensuring compliance with Global Standards including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (Guiding Principles). Hence, we will vote **against the CEO/Chairman of the board** and/or other relevant agenda items if the company scores a 0 on B2 pillar of the Corporate Human Rights Benchmark analysis.

C- Case-by-case voting on impact investment strategy

In 2024, DPAM launched an impact investment strategy which, in addition to meeting all the requirements shared with DPAM’s sustainable investment strategies, introduces a distinct focus on specific sustainable impact themes and sub-themes. Companies selected for investment must demonstrate that their activities— which may be defined in terms of the net alignment of their revenues, CapEx, or other activity KPIs—contribute positively and significantly to these themes.

Starting in 2025, DPAM will vote on all companies included in the framework of its impact investment strategy. During each voting season, we will conduct a thorough review of all companies before casting our votes. The objectives of this voting process are twofold: (1) to encourage companies to enhance their alignment with sustainable impact-related activities, and (2) to improve their impact data reporting, particularly by providing comparable impact performance indicators.

We may vote against agenda items if:

- A company reduces its alignment with impact themes or shows a decline in impact data compared to the previous year.
- The company’s corporate conduct deteriorates, new controversies arise, or allegations of irresponsible behaviour emerge.

² <https://www.worldbenchmarkingalliance.org/publication/chrb/rankings/>

For companies facing ESG controversies—particularly those rated as category 3 negative or 4 by Sustainalytics—we aim to engage with them before taking negative measures whenever possible. However, DPAM reserves the right to vote against or abstain from certain agenda items depending on the circumstances.

It is important to note that, for the same issuer, voting decisions under the Impact investment strategy may differ from those under the sustainable investment strategy. Therefore, each case is analysed individually.





IV. Implementation of the voting policy

1. Voting advisory board

This Voting Policy has been established by the voting advisory board (the “Advisory Board”), which consists of seven internal staff members and two independent members.

1.1 Role and mission of the advisory board

The Advisory Board is responsible for the strategic framework of responsible ownership applied to all DPAM Funds and discretionary portfolio management mandates whose clients have expressly delegated the exercise of their voting rights to DPAM. It guards and actively seeks a coherent and credible implementation of the Voting Policy and its role includes:

1. Reviewing the Voting Policy at least once a year and adapting it according to legal and regulatory requirements and best practice in corporate governance;
2. Ensuring that the adopted guidelines, as outlined under “Guidelines for resolutions,” are applied when exercising voting rights for shares issued by Target Companies, as defined under “Voting Scope - B. Target Markets - Target Companies”;
3. Discussing practical issues that may arise during the ordinary and extraordinary general assemblies’ season (GM(s) or GM Season) and defining relevant guidelines for future cases;
4. Deciding on the voting approach to adopt when a conflict of interest arises in a meeting;
5. Adopting recommendations and engaging in dialogue with Target Companies’ management to promote the four principles of the Voting Policy and best practices in corporate governance;
6. Studying ad-hoc cases that may deviate from the Voting Policy and its guidelines and providing appropriate voting guidelines; and
7. Validating the yearly activity report of the voting process of DPAM and DPAS.

1.2 Operating process

Individuals who are not employed by DPAM or DPAS are appointed as members of the Advisory Board based on their valuable experience and expertise in corporate governance. Their impartial perspective enhances the credibility of DPAM and DPAS’ responsible approach.

The Advisory Board convenes at minimum twice a year, and ad-hoc meetings may be called when necessary. To conduct business, at least 50% of the members must be present, with at least one external member in attendance or represented.

Meetings may be held via conference call or video conference, and written resolutions may be taken in case of emergency. Decisions are made by consensus, but if agreement is not reached, a vote is taken, and the decision is made by a simple majority. Each member, internal or external, holds one voting right. If a vote is tied, the Chairman has the final say.

There may be situations where a member of the Advisory Board or their immediate family member has a personal or financial interest that may compromise their independence in fulfilling their responsibilities to the Advisory Board. Such conflicts of interest may include, but are not limited to:

- They, or their immediate family member, are/is somehow linked to a Target Company, for instance because they are providing material professional services to the Target Company, they engage in a material business relationship with a Target Company or they are a shareholder, director or committee member of a Target Company;
- An Advisory Board member who is an internal staff member is carrying out operations with a Target Company in relation to which he/she acts as counterparty for clients with respect to operations entrusted by such clients to DPAM.

In the event of a conflict of interest, the conflicted member must disclose the relationship to other members and abstain from voting. If all members present or represented at the meeting are conflicted, the decision will be deferred to DPAM's Management Board. The Advisory Board's Chairman is elected every three years by a majority vote of the Advisory Board members. Starting from its expiration in 2023, the chairman's mandate is renewed for an extended statutory term of three years.

The Advisory Board selects a secretary from among its members to keep minutes of meetings, which are then shared with DPAM's asset management, buy-side research, and credit analysis teams.

External members of the Advisory Board receive a fixed remuneration.

An Operational Voting Group, also known as the Operational Body, has been formed. It is responsible for implementing decisions adopted by the Advisory Board and provides day-to-day voting instructions. The group only comprises internal members of the Advisory Board, who are consulted via email to ensure swift responses during the general meeting season.

2. Voting scope

The voting right is exercised by DPAM Funds and institutional clients under discretionary management mandates upon their express request.

Exercising voting rights on behalf of the DPAM Funds and, where applicable, the institutional clients, is done entirely independently while respecting any voting policies they may have adopted and, if given, in line with the instructions of the DPAM Funds and the institutional clients.

2.1 Materiality threshold

For the sake of efficiency and cost management (aiming to reconcile a meaningful vote and the protection of investors' financial interests), the voting process will only be activated when the amount of shares issued by a Target Company, held across the DPAM Funds and the portfolios under discretionary management mandates, whose clients have expressly delegated their voting rights to DPAM, represents at least: (i) €1 million; and (ii) 0.5% of the assets under management by the given sub-fund. Below this threshold, no voting instruction will be given (hereinafter, the "**Materiality Threshold**").

Once the Materiality Threshold has been reached, DPAM will vote on all the shares in the portfolio of all sub-funds of the DPAM Funds and the relevant discretionary management mandates.

The materiality threshold is calculated at the end of each month by IVOX Glass Lewis GmbH.

2.2 Target markets

The shares covered by this policy include all shares held in listed companies, provided: (i) that the Materiality Threshold has been reached; (ii) that those companies are based in one of the Target Markets (as defined hereunder); (iii) that they are covered by the Proxy Voting Services of IVOX GL; and (iv) that the shares are still in the portfolio at the time of the GMs (hereinafter, the "**Target Companies**").

The markets currently targeted (hereinafter referred to as the “Target Markets”) include:

- Certain European countries (for example, Germany, Austria, Belgium, Denmark, Spain, Finland, France, the United Kingdom, Ireland, Italy, Luxembourg, Norway, the Netherlands, Portugal, Sweden and Switzerland);
- North America (for example, Canada and the United States);
- Japan, China, Hong Kong and Taiwan since 2022. India, South Korea, the Philippines and Singapore since 2024.

3. Execution of votes

DPAM has entered into a service agreement with IVOX Glass Lewis GmbH (hereinafter referred to as “IVOX GL”) pursuant to which IVOX GL advises and assists DPAM in exercising voting rights attached to shares held by the funds in question and reports to DPAM about its voting activity and the results thereof (hereinafter, the “Proxy Voting Services”).

4. Voting procedure

4.1 Follow-up of general meetings

DPAM, through the members of the Operational Body who have access rights, can keep up to date with general meetings organised by Target Companies using a secure electronic platform managed by IVOX GL.

This platform contains all the relevant information needed to participate in GMs, including:

- The dates on which the Target Companies involved are to organise their GMs and the deadlines for submitting voting instructions;
- A copy of the documents to be given to shareholders for these meetings (including a copy of the convocations to the meetings, a copy of the annual financial statements, relevant management and audit reports and/or, if applicable, a copy of the annual report); and
- A series of voting recommendations issued by IVOX GL.

IVOX GL draws up its voting recommendations based on market analyses carried out by its own consultants and based on the general principles of sound corporate governance.

These principles adhere to those of the ICGN (International Corporate Governance Network) as well as any principles for sound corporate governance applied at the national level (depending on the country).

4.2 Voting instructions

To automate and ensure the coherence of the voting process, DPAM aims to align its voting instructions with the recommendations of IVOX GL.

To that end, DPAM groups the agenda items and resolution proposals for the GMs into two categories, aligned or not aligned with the voting recommendations of the Target Companies. The votes at the GMs where the recommendations of our Voting Policy are in line with those of the Target Company management are performed automatically. Where at least one recommendation of our Voting Policy differs from the resolution proposals at the level of the Target Companies, the management recommendations on the agenda are filtered and analysed separately.

A decision tree, which provides a schematic overview of the categorisation and voting process, is included in Appendix 1.

4.3 Voting process for general meetings with issues

DPAM does not necessarily follow the Target Companies' management recommendations, and based on IVOX GL recommendations, may vote differently. These issues are submitted to the Operational Body, which uses its in-depth knowledge of the Target Companies to vote on a case-by-case basis according to its own assessment of the proposed resolutions submitted by the Target Company.

Barring exceptional circumstances where the Operational Body considers voting in a specific manner, voting decisions will be taken in accordance with the guidelines set out below under item "Guidelines for resolutions" – Appendix 2.

The elements taken into consideration are essentially issues pertaining to the composition of the Board of Directors, the liability of its members, the remuneration of directors and questions relating to company capital.

The Operational Body decides, by majority vote, on how to vote. In the case of a tied vote, the chairman will decide on the issue and will have a decisive vote.

Voting instructions are transferred for execution through the electronic platform of IVOX GL.

IVOX GL must then execute these instructions and comply with the necessary formalities to participate in the general meetings.

4.4 Circumstances which may affect the exercise of voting rights

On some Target Markets, voting may incur certain legal or practical problems (for example, late transmission of convocations, blocking shares, the requirement to attend a meeting physically to be able to vote, translation problems involving the transmitted documentation) that may render the voting process complicated and generate significant costs.

Although DPAM is committed to doing everything within its means to actively vote, it may not give any guarantee that the vote will always pertain to all the shares within the voting scope. For instance, if local legislation requires blocking shares for a period that is considered too long and/or may create a financial risk for the holders of the securities in question (the blocking period could limit the room for manoeuvre required by the manager), the shares will not be included in the voting scope and will not be deposited to enable participation in the GM in question.

Finally, when the advantage of exercising the vote does not offset the inconvenience that it causes, DPAM reserves the right not to activate the voting process and not to transmit voting instructions.

4.5 Securities lending policy

DPAM Funds do not have a securities lending programme. There is therefore no limit to apply and no need to recall shares for specific meetings.

4.6 Situations involving conflicts of interest

Certain resolution proposals may be sensitive in nature and - when voting rights are exercised - lead to a potential conflict of interest for the DPAM Funds, a DPAM group entity, and/or shareholders of the Target Company. In practice, the following situations may go against the interests of shareholders:

- A proposal to appoint a director within a given Target Company who is somehow linked to a DPAM Fund, any DPAM group entity (including Bank Degroof Petercam SA) and/or any Target Company that has a business relationship with these companies;
- A vote which pertains to the Shares of a Target Company that has a business relationship with an entity of the DPAM group (including Bank Degroof Petercam SA); and/or
- A vote which pertains to the Shares of a Degroof Petercam group company or a company in which Degroof Petercam (or any other Degroof Petercam group entity) holds a significant or strategic stake.

The mechanisms put in place to avoid such conflicts of interest consist of voting only in the interest of shareholders and basing voting decisions on an in-depth knowledge of the markets and/or analyses and recommendations made by external and independent consultants (IVOX GL).

In the event of a conflict of interest, a copy of the convocation to the GM of the company in question stressing the potentially problematic resolution proposal is submitted to the Advisory Board, along with any supporting documentation (for example, management report and explanatory documents for the attention of shareholders). The Advisory Board must then decide on which voting approach to adopt based on the submitted proposal, for example, in favour, against, or abstain.

4.7 Activity report

As a responsible investor, DPAM guarantees the transparency of its voting policy and its execution and to keep shareholders informed about the votes that have been exercised in their interest.

The voting policy and the annual report on voting activity are both available on the DPAM website. The latter contains key statistics on voting activity, namely the number of resolutions voted per Target Market and the type of vote cast during the GMs attended over the past year.





V. Guidelines for resolutions

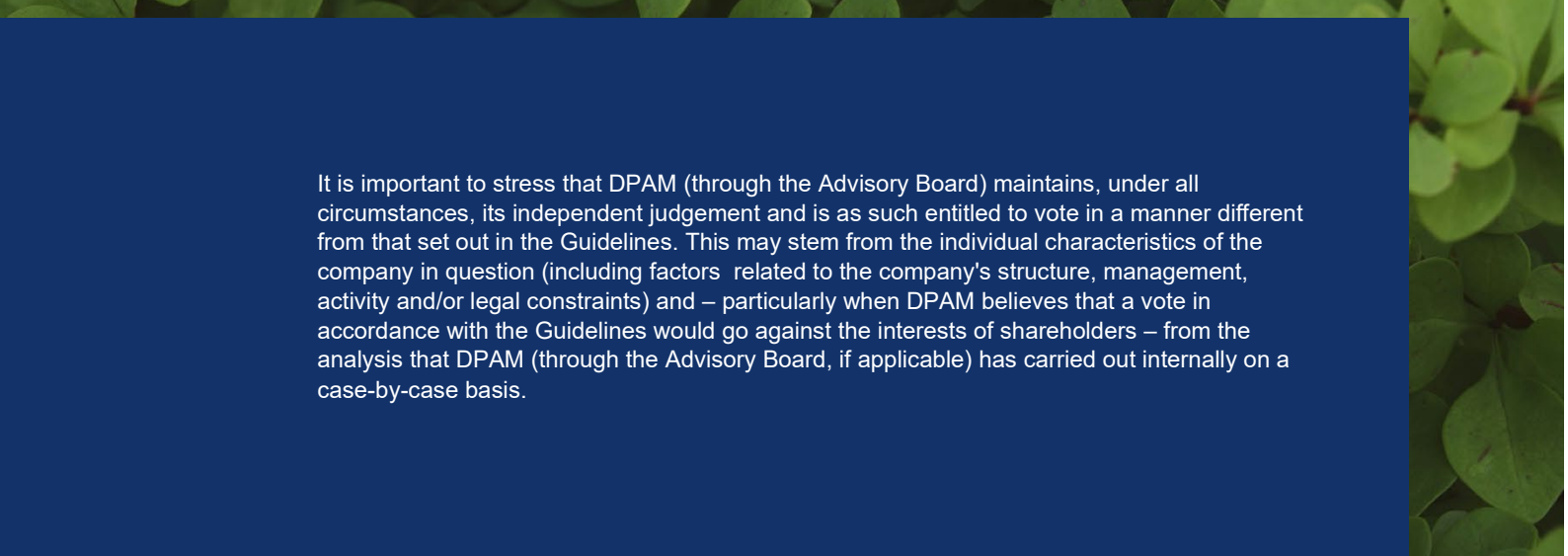
1. Introduction

The analysis principles defined below can be adapted as a function of the nation in which the Target Companies are incorporated and the national legislation applicable to general meetings. For example, when the analysis calls for an abstention and the country's legislation does not allow for this kind of vote, DPAM will vote against the resolution proposal in question.

The principles listed below are not exhaustive. Their goal is to briefly describe the stance taken for votes pertaining to recurrent themes, involving issuers established in nearby markets and deemed of strategic importance by DPAM, namely: the approval of annual accounts and financial operations; the nomination and remuneration of directors and company representatives; resolutions pertaining to the structure of company capital (anti-takeover measures, capital decrease conditions (share buy-backs) and/or capital increases (for example of authorised share capital) that may harm the principle of equal treatment of shareholders or lead to a dilution of the position of existing shareholders.

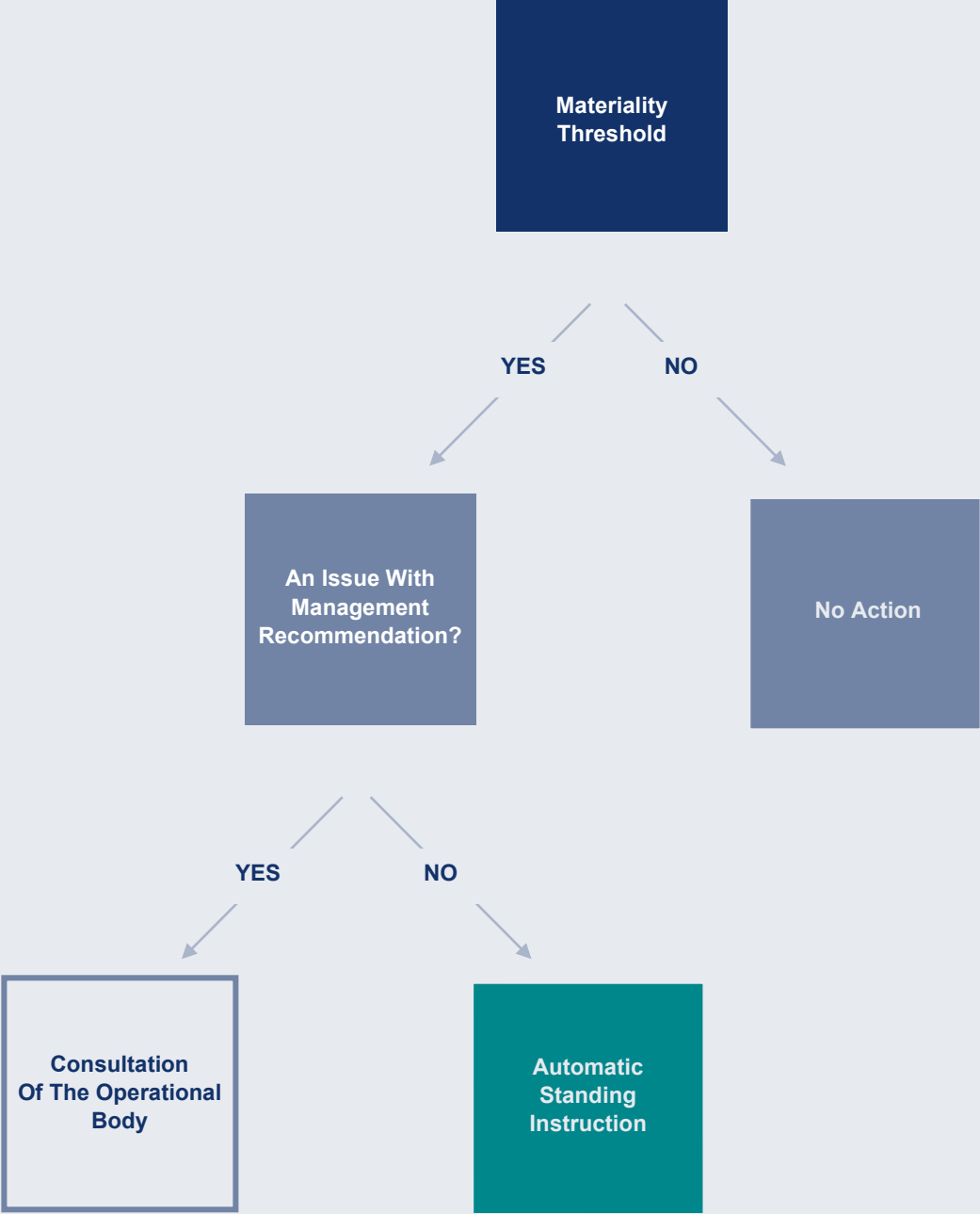
Consequently, any strategic question not covered by these guidelines will be judged on a case-by-case basis while taking into account DPAM's voting principles and its scope of activity.

For each key subject, the "in favour", "against" or "abstain" columns contain a brief description of the main factors that will generally give rise to this voting stance.



It is important to stress that DPAM (through the Advisory Board) maintains, under all circumstances, its independent judgement and is as such entitled to vote in a manner different from that set out in the Guidelines. This may stem from the individual characteristics of the company in question (including factors related to the company's structure, management, activity and/or legal constraints) and – particularly when DPAM believes that a vote in accordance with the Guidelines would go against the interests of shareholders – from the analysis that DPAM (through the Advisory Board, if applicable) has carried out internally on a case-by-case basis.

1.1 Appendix 1: Decision tree for the voting process



1.2 Appendix 2: Analysis table for resolution guidelines

	In favour	Abstain	Against
	Administration / management		
Granting discharge to directors	Unqualified audit report of the financial statements.	DPAM reserves the right to abstain under certain conditions which can include, in some cases, positive engagement with the invested company.	Refusal of the auditors to certify the financial statements and or/expression of reservations/qualifications regarding the latter.
	No serious doubts regarding the sound management of the company.	DPAM reserves the right to abstain under certain conditions which can include, in some cases, positive engagement with the invested company.	Serious doubts regarding the sound management of the company.
	No management errors and/or violation of the law.	DPAM reserves the right to abstain under certain conditions which can include, in some cases, positive engagement with the invested company.	Management errors and/or violation of the law (including, in particular, corporate law and accounting standards).

No proceedings initiated (against the board or one of the directors) by another shareholder.

DPAM reserves the right to abstain under certain conditions which can include, in some cases, positive engagement with the invested company.

“Actio mandati” initiated by another shareholder.

No investigation or litigation involving one (or more) director(s) for insider trading.

DPAM reserves the right to abstain under certain conditions which can include, in some cases, positive engagement with the invested company.

Investigation and/or legal proceedings underway involving one of the director(s) (e.g. administrative and/or criminal investigation for a potential insider trading violation).

Good financial results.

DPAM reserves the right to abstain under certain conditions which can include, in some cases, positive engagement with the invested company.

Unsatisfactory risk taking and/or **unsatisfactory** financial results (when compared to other key players in the sector).

DPAM reserves the right to abstain under certain conditions which can include, in some cases, positive engagement with the invested company.

Senior director with oversight of related party transactions (whether a board committee, ad hoc committee, or the board as a whole, depending on the board’s internal procedures) having approved particularly **egregious transactions** concluded between the company and an executive director, in consideration of the specific nature of the professional services relationship between the company and a director, the independence profile of the board and its key committees and the conflict mitigation procedures in place.

	In favour	Abstain	Against
Appointments / renewal / conflicts of interests	Administration / management		
	<p>Sufficiently detailed information on the candidate's profile (this criterion may be put aside if the candidate is well known).</p> <p>The candidate is presented by an independent appointment committee.</p>	<p>DPAM reserves the right to abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.</p>	<p>Insufficiently detailed information on the candidate's profile.</p> <p>The candidate was not presented by an independent appointment committee.</p>
	<p>The appointment (or renewal) maintains a balance between executive and non-executive/independent directors on the Board of Directors.</p>	<p>Imbalance between executive and non-executive/independent directors on the Board of Directors, we engage with the company on the topic in the 1st year and we vote Abstain.</p>	<p>Imbalance between executive and non-executive/independent directors on the Board of Directors even after engaging with the company.</p>
	<p>With the appointment of the candidate, the board will not have more than sixteen members in total.</p>	<p>DPAM reserves the right to abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.</p>	<p>More than twenty members on the board.</p>
	<p>Where a candidate has a material business relationship with a company that falls under the normal course of business, we will generally refrain from voting against the candidate on that basis alone provided that the company has adequately disclosed the relationship and mitigated the potential for serious conflicts of interest and so long as the board and key committees are sufficiently independent.</p>	<p>DPAM reserves the right to abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.</p>	<p>A candidate or a candidate who has an immediate family member, currently providing or having provided, during the previous three-year period, material professional services to the company (including for instance legal, consulting, or financial services). A candidate, or a candidate who has an immediate family member, who engages or has engaged, during the previous three-year period, in material commercial, real estate or other advantages.</p>

Taking into account the proposed appointment (or renewal), the candidate **does not hold more than a total of five** director mandates in listed companies (if the nomination (or re-election) pertains to the mandate of Chairman of the board or CEO or if the candidate is already Chairman of the Board or CEO, the total acceptable number of mandates in listed companies is reduced to three).

DPAM reserves the right to abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.

Including the proposed mandate, the candidate **holds more than five** director mandates in listed companies (if the candidate is appointed for, or **holds** an executive mandate in listed companies, this number is reduced to three. Candidates who maintain “**interlocking**” board memberships, for example, . top executives who serve on each other’s boards or on each other’s remuneration committees.

Mandate of **maximum** six years.

Sub-committees (audit/remuneration/appointment) that are and continue to be composed of a **majority of independent** directors.

In case the sub-committees have a minority of independent directors, we engage with the company on the topic in the 1st year and we vote Abstain.

Mandate **exceeding** six years.

Sub-committees continue to be composed of a minority of independent directors, even after the engagement with the company.

The mandate has been executed **satisfactorily** (in case of re-election).

DPAM reserves the right to abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.

Mandate executed **unsatisfactorily** (for example, management errors, investigation and/or proceedings against the individual in question).

Barring exceptional and duly justified circumstances in the resolution proposal, the same person **does not combine** the functions of Chairman and CEO.

DPAM reserves the right to abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.

Combination of the roles of Chairman and CEO (this criterion can be waived in case of exceptional circumstances that have been duly justified).

	In favour	Abstain	Against
	Questions related to capital		
	The proposed capital increase respects the principle of “one share - one vote - one dividend”.	DPAM reserves the right to abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.	The proposed capital increase disregards the principle of “one share - one vote - one dividend” (for example the issuance of shares with multiple voting rights or “golden shares”).
Capital increase	In case of a capital increase with preferential subscription rights, the amount of the intended increase does not exceed 50% of the existing capital.	DPAM reserves the right to abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.	In case of a capital increase with preferential subscription rights, the amount of the intended increase exceeds , in the absence of a duly justified proposal , 50% ³ of the existing capital.
	In case of a capital increase with the scrapping of preferential subscription rights in companies other than listed real estate companies, the amount of the intended increase does not exceed 10% of the existing capital.	DPAM reserves the right to abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.	In case of a capital increase with the scrapping of preferential subscription rights in companies other than listed real estate companies, the amount of the increase exceeds , in the absence of a duly justified proposal , 10% of the existing capital.
	The proposed capital increase in listed real estate companies, without preferential subscription rights, if the dilution is limited to 20% of the capital.	DPAM reserves the right to abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.	In case of a capital increase with the scrapping of preferential subscription rights in listed real estate companies, the amount of the increase exceeds , in the absence of a duly justified proposal , 20% ⁴ of the existing capital.

³ Exceptions may be granted if the Advisory Board is able to provide valid justification for an increase that exceeds the Guidelines.

	In favour	Abstain	Against
	Questions related to capital		
Capital reduction	The proposed reduction of capital is in favour of long-term shareholding.	DPAM reserves the right to abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.	The terms of the proposed capital reduction are unfavourable to shareholders

	In favour	Abstain	Against
	Questions related to capital		
issuance of bonds	<p>DPAM assesses proposals to approve any debt issuance secured with the company's assets on a case-by-case basis.</p> <p>The proposed debt (bond) issuance is in line with the financial position of the company.</p>	DPAM reserves the right to abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.	<p>The issuance is excessive given the company's financial position.</p> <p>The issuance of bonds will bear superior rights to the common shares if converted.</p>

	In favour	Abstain	Against
	Questions related to capital		
Authorised share capital	<p>The Board of Directors can be authorised to raise the company's capital on the condition that:</p> <ul style="list-style-type: none"> The authorised share capital raise respects the principle of "one share - one vote - one dividend". The authorisation is requested for a period of maximum five years. The maximum possible amount of the increase is defined and does not exceed 50% of the existing share capital. The board explains the reasons why it would like to have permission to make use of the authorised share capital as well as the specific circumstances under which it will be able to make use of the authorised share capital. In any case, these circumstances cannot include a possibility for the Board of Directors to make use of the authorised share capital for anti-takeover purposes. 	<p>DPAM reserves the right to abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.</p>	<ul style="list-style-type: none"> The conditions under which the authorised share capital can be used do not respect the principle of "one share - one vote - one dividend". The authorisation is requested, without due justification, for a period of more than five years. The maximum amount allowed for the increase is not defined and/or exceeds 50% of the existing share capital. The board does not explain the reasons why it wishes to receive the authorisation to make use of the authorised share capital or the specific conditions under which it will be able to make use of the authorised share capital. The circumstances described enable the Board of Directors to make use of the authorised share capital for anti-takeover purposes.

	In favour	Abstain	Against
	Questions related to capital		
Share buy-backs	A company can be allowed to buy back its own shares if:		
	<ul style="list-style-type: none"> The buy-back conditions comply with the legal constraints applicable to the company in question (for example, use of distributable reserves and buy-back limited to fully paid shares). 	<ul style="list-style-type: none"> The buy-back conditions do not comply with the applicable legal constraints in case of successful engagement. 	<ul style="list-style-type: none"> The buy-back conditions do not comply with the applicable legal constraints in case of an unsuccessful engagement.
	<ul style="list-style-type: none"> The buy-back authorisation is limited in time (maximum five years) and does not allow the company to buy back more than 20% of its own shares. 	<ul style="list-style-type: none"> The buy-back authorisation is requested for a period exceeding five years in case of successful engagement. 	<ul style="list-style-type: none"> The buy-back authorisation is requested for a period exceeding five years in case of an unsuccessful engagement.
	<ul style="list-style-type: none"> The conditions of the buy-back programme do not allow the company to buy back its own shares for anti-takeover purposes. 	<ul style="list-style-type: none"> The conditions of the buy-back programme enable the company to buy back its own shares for anti-takeover purposes in case of a successful engagement. 	

	In favour	Abstain	Against
	Questions related to capital		
Poison pills		DPAM reserves the right to vote abstain from voting under certain conditions which can include, in some cases, positive engagement with the invested company.	Implementing defence/anti-takeover mechanisms is generally considered as going against the interests of shareholders and any such resolution proposal will usually be refused.

In favour

Abstain

Against

Remuneration policy

Vote abstain and engage in the first year.

DPAM will be called to vote against any proposal of remuneration policy or implementation if any of the below elements are present and after engaging with the company in the previous year:

- Performance targets are changed retrospectively
 - Substantial one-off payments are made without performance criteria
 - Golden parachutes when these are not in the interest of the company and/or are value destructive
 - Sign-on arrangements and severance packages that exceed market best practices
 - Pension arrangements significantly out of step with broader workforce
 - Bonus payments made whilst company has not made any profits over the last two years
 - No clawback provisions are in place for the long-term incentive plan.

	In favour	Abstain	Against
Mergers / acquisitions	<p>If the company in question is the “target” company: the intended merger/acquisition transaction is justified and is value-accretive to the company and/or its shareholders.</p> <p>If the company in question is not the “target” company, the intended merger/acquisition transaction: (i) is justified and value-accretive in the mid to long term for the merging or acquiring company and for its shareholders; and (ii) does not have a major or disproportionate negative impact on shareholder rights (for example, voting rights or dilution).</p>	<p>Each merger/acquisition transaction will be subject to an individual/case-by-case analysis. The elements that are generally analysed include:</p> <ul style="list-style-type: none"> • the impact of the transaction on the value of the shares held by the shareholders; • the financial conditions of the transaction (for instance, the presence of a take-over premium); • the correct valuation of the target company; • the economic viability of the merger/acquisition project in the mid to long term; • the consequences of the transaction on shareholder rights (of the “target” company, or, when applicable, the merging/acquiring company); the occurrence of any special interests, which might have influenced the directors and officers of the company to support or recommend the merger. <p>based on these elements, DPAM will vote abstain or vote against the M&A.</p>	
			<p>DPAM will vote abstain or vote against a M&A proposal when: (i) there is not enough information available and/or provided to make an informed decision; (ii) voting rights, earnings distribution or any other shareholder rights are altered disproportionately; (iii) the structure following the merger or acquisition does not display good governance; and (iv) the merger appears not to be in the best interest of shareholders.</p>

In favour

Abstain

Against

Other corporate governance issues

We adopt a strong stance against poor corporate governance.

In the case of South Korean companies:

- that have traded persistently below book which cannot be explained by: an overstated book value; regulatory constraints on returns; a protracted cyclical downturn or industry-wide persistent structural challenges.

This is usually due to the outsized political power of a tiny number of powerful families that control most South Korean companies. By persistently keeping the stock price below book value, these families can pay little inheritance tax and coerce minority shareholders out

Voting against the board members in case the company persistently trades below book value.

In favour	Abstain	Against
<p>Plan:</p> <p>If the proposals encourage transparency, carbon disclosure, measures and strategies aligned with the Paris Agreement:</p> <ul style="list-style-type: none"> • A corporate Net Zero commitment or ambition to adopt one by 2050 covering all relevant GHG emissions • Medium term targets aligned with the 1.5°C scenario or validated and recognised by the SBTi for the scope 1&2 and relevant scope 3 GHG emissions; • A decarbonisation plan, i.e. a quantified decarbonisation strategy (detailing amongst others capital allocation alignment, climate risk and accounting disclosures /considerations, resilience and alignment with • 1.5 C scenario and auditor references) <p>Regarding the report on climate transition plans, the assessment indicators include:</p> <ul style="list-style-type: none"> • Evidence of a year-on-year short-term carbon (equivalent) intensity reduction; • Progress against the reduction trajectory implied by existing GHG emissions reduction targets; • Operational emissions progress; • Publicly disclosed reporting aligned with the TCFD recommendations, included in the Annual Report and Accounting Principles; and • An indication or disclosure on the consequences and implications of the voting outcome (for example, advisory/binding nature). • Linking executive remuneration/compensation to the climate targets (STIP or LTIP), without conflicting performance-related pay criteria. <p>Progress: additional</p> <p>criteria required for a vote in favour:</p> <ul style="list-style-type: none"> • Evidence of a year-on-year short-term carbon (equivalent) intensity or absolute reduction. • Publicly disclosed reporting aligned with the TCFD recommendations, included in the Annual Report and detailing at least capital allocation and accounting considerations. 	<p>If not compliant with DPAM's framework of climate commitment, we will vote Abstain in the first year and engage with the invested company.</p>	<p>In case of non-compliance with DPAM's Climate commitment framework the year following the first engagement, we vote against.</p>

	In favour	Abstain	Against
Tax	<p>DPAM requires invested companies to have a proper Tax Control Framework and to comprehensively present detailed information on the company or group's tax position, in line with the GRI Tax Standard 207, including:</p> <ul style="list-style-type: none"> • the effective tax rate calculation; • nature of deferred taxes; • tax strategy; • ongoing tax litigation; • major tax risks; and • the new Pillar II global minimum tax calculation. <p>Companies should regularly update and clearly summarize this information to make it accessible to non-tax experts.</p> <p>Furthermore, they should describe how their tax policies align with overall business strategy and with the economic value generated and should have a strong tax governance and management framework to oversee tax-related matters.</p>	<p>If not compliant with DPAM's tax framework, we will vote Abstain on the re-election of the chairman of the board in the first two years and engage with the invested company.</p>	

VI. Lexicon

Anti-takeover measures (poison pills)	These are defensive tactics used by a target company to prevent or discourage attempts of a hostile takeover by an acquirer. Such plans allow existing shareholders the right to purchase additional shares at a discount, effectively diluting the ownership interest of any new, hostile party.
Controversial activity	Refers to a business activity that stirs-up debate among various parties and that is contentious.
DPAM	Degroof Petercam Asset Management
DPAS	Degroof Petercam Asset Services
EBITDA	Earnings before investment, taxes, depreciation and amortization
ESG	Acronym for Environment, Social and Governance
EU Takeover Bids Directive	The Takeover Directive 2004/25/EC is an EU Directive dealing with European company law's treatment of mergers and acquisitions. It concerns the standards takeover bidders must comply with in relation to: how long a bid stays open; who they offer to; and the information companies must give to the public about the bid. The most controversial provision, eventually made optional, was the requirement of the board of directors of a target company to be neutral in the bid process.
EU Transparency Directive	Issued in 2004 and revised in 2013, the EU Transparency Directive aims to ensure transparency of information for investors through a regular flow of disclosure of periodic and on-going regulated information and the dissemination of such information to the public. Regulated information consists of financial reports, information on major holdings of voting rights and information disclosed pursuant to the Market Abuse Directive (2003/6/EC).
FIR	Forum pour l'Investissement Responsable (France)
Finanza Sostenibile	Forum for Sustainable Investment (Italia)
FNG	Forum Nachhaltige Geldanlagen: Forum for Sustainable Investment (German speaking countries)
GHG	Greenhouse Gas Emissions
Global Standard compliance	Companies must comply with the founding principles of the Global Compact (human rights, labour law, protection of the environment, fight against corruption and environmental protection) and the UN Guiding Principles, ILO instruments, the OECD Guidelines for Multinational Enterprises and the underlying conventions and treaties. DPAM uses specific ESG research from non-financial rating agencies to determine whether or not a company is in compliance with these standards.

GM	General meetings – refers to ordinary and extraordinary general assemblies
ICGN	International Corporate Governance Network
KPI	Key Performance Indicator
NZAM	Net Zero Asset Managers (initiative)
OECD	Organisation for Economic Cooperation and Development
Spainsif	Forum for Sustainable Investment (Spain)
Say on Pay principle	Is a term used for a role in corporate law whereby a firm's shareholders have the right to vote on the remuneration of executives.
Target company	The company currently targeted by the voting policy
Target markets	The markets currently targeted by the voting policy
TCFD	Taskforce for Climate-Financial Disclosure
UN PRI	Principles for Responsible Investment supported by United Nations. These are six Principles asset owners and asset managers can support for more sustainable finances.

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Disclaimer

This document is intended to provide an overview of DPAM's voting policy and guidelines taking into account the requirements of the Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement..

It is not intended to be exhaustive and does not address all potential voting issues.

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