



Voting Policy 2020

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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 which is the result of the merger between Banque Degroof and Petercam. It has been validated by the Management Board of DPAM.

Objective

This Voting Policy aims to set out the values and principles with regard to corporate governance that DPAM wishes to see advocated and applied by the listed companies in which the DPAM Funds (as defined below) invest. It also sets out DPAM’s approach as a responsible investor.

DPAM’s investments are concentrated on sustainable quality companies in the long run. Investing in well-managed companies is a key element and an integral part of DPAM’s investment policy.

An efficient corporate governance system, set up by means of control mechanisms and appropriate checks and balances, not only contributes to fostering sound company management but also to a better understanding of risks and enhanced long-term performance.

DPAM is fully aware of its social responsibility. In that regard, it believes that dialoguing and actively participating in the general meetings of the companies in which DPAM Funds invest are key to a sustainable engagement process aiming to foster a responsible and viable financial system for future generations. Within that framework and that of fundamental and qualitative research, meeting with company managers is at the heart of the investment management process. As such, assessing the quality and sustainability of companies’ management is in DPAM DNA.

Scope

For the sake of coherence and efficiency, this Voting Policy is to be applied consistently to all investment funds which are managed by DPAM (by designation or delegation) or which have delegated to DPAM the exercise of the voting rights they hold in listed companies (at the exclusion of investment funds) (hereinafter referred to as “**DPAM Funds**”).

This Voting Policy does not, however, affect the independent exercise of the voting rights associated with the shares and other securities granting the right to vote held by the DPAM Funds, in the sense that each DPAM Fund has separately endorsed this policy and may at any time give instructions to DPAM to deviate from it.

In addition, DPAM exercises voting rights in listed companies (at the exclusion of investment funds) for institutional clients with discretionary portfolio management mandates who have expressly delegated the exercise of such rights to DPAM.

Regulatory context and interaction with other DPAM policies

This Voting Policy takes 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 (“**SRD II**”). This Directive establishes requirements for asset managers for effective and sustainable shareholder engagement when exercising shareholder rights attached to voting shares in relation to general meetings of companies which have their registered office in a Member State and the shares of which are admitted to trading on a regulated market situated or operating within a Member State.

DPAM's policy on shareholder engagement in general and, within the meaning of the SRD II in particular, is comprised of the following policies:

- this Voting Policy
- the Engagement Policy : DPAM's vision of being a responsible investor is articulated into three pillars:
 - raising key questions about the consequence of our activities;
 - being a shareholder which engages in a constructive dialogue with companies and ensuring the rights of shareholders are fully exercised; and
 - being committed to long-term objectives and sustainable financing.

To endeavor this, DPAM has put dialogue with the different stakeholders at the heart of the process and approach. DPAM describes in this policy its ratio legis to engage with companies, its expectations and the different channels it is using from formal dialogue through collaborative or individual engagements to more informal engaged dialogue during the numerous meetings with the management of companies organized by the research and investment teams

- the Sustainable and Responsible Investments Policy : investors as well as asset owners are increasingly aware of global challenges such as climate change, changing demographics, disruptive technologies, etc. The regulation has also embraced the topic of sustainability and is increasingly requiring investors to take their responsibilities notably in financing the transition to low carbon economy. As a result, the way financial analysis used to perform has deeply been modified. It is once again necessary to focus on the fundamentals of a state or of a company and to develop our understanding of the global environment in which it is acting within a long-term perspective. This policy describes the approach DPAM has developed to integrate the ESG challenges - from a risk as well as an opportunity perspective – in its different expertises, strategies and portfolios. The approach is based on pragmatism and dialogue and aims to be holistic and transversal i.e. all economic sectors are included, without any exclusion of specific, inherently unsustainable sectors that would be considered ESG-unfriendly de facto. Any sustainable dimension prevails on another one i.e. the environmental driver is as important as the social as the governance ones. Thanks to an open-minded constructive and dynamic process, DPAM is able to share its definition of Environmental, Social and Governance (ESG) factors and how these are integrated through the whole investment value chain from an integration or from an engagement perspective.
- the Controversial Activities Policy : negative screenings and in particular the controversial activity screening have an important role to play in ensuring that investment portfolios are not exposed to corporate activities that are deemed unethical and/or irresponsible and/or unsustainable. Through this policy, DPAM aims to communicate in full transparency over which business activities and sectors it excludes from its investments strategies as well as the ESG integration approach it has adopted for the controversial activities which do not lead to hard exclusion de facto.

DPAM - Sustainability in our DNA

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

DPAM has been signatory to the Principles for Responsible Investment advocated by the United Nations (UN PRI) since September 2011. By adhering to these UN-PRI, DPAM commits to adopting and implementing the six UN-PRI guiding principles. The six principles of the UN PRI are as follows:

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 therefore 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 more long-term investment approach with a more sustainable focus.

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

1. to defend the fundamental rights pertaining to the respect for human rights, labour rights, anti-corruption and environmental protection;
2. 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;
3. to promote best practices and encourage on-going efforts towards sustainability.

A Responsible Shareholder

Taking part in 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, advocating sustainable growth and a long-term risk management approach. As a matter of fact, 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 humans 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, meaning that we do not blindly vote in line with the management or in line with the 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 have been committed to 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 defenses, multiple voting rights and remuneration – say on pay and transparency of the executive pay report) . Being transparent in our voting intentions is key. Our sustainable offering aims at being transparent at all levels, including investment policy, sustainable criteria and reporting. Our transparency is determined before general meetings in the vast majority of cases, as suggested by the best practices in this area.

KEY DRIVERS TO OUR VOTING POLICY

The principles listed below are the fundamental values defining the overall framework for the votes issued during 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 the OECD and ICGN (International Corporate Governance Network) in particular¹.

These principles have been established by the Responsible Investment Steering Group (RISG), a group consisting of about fifteen professionals from various departments within the DPAM and whose objectives are amongst others (i) to reflect on ESG challenges, (ii) to make sure that our approach, methodology, products and services remain transparent and coherent, and (iii) to ensure that our principles for responsible investment dovetail with the six Principles of Responsible Investment set out by the United Nations. The principles are revised on an annual basis in order to optimally address legal and regulatory changes as well as international best practices in terms of corporate governance.

They consist of four elements:

1. protection of shareholders;
2. sound corporate governance;
3. transparency and integrity of information; and
4. social and environmental and good governance responsibility.

I. Protection of shareholders

A. Protecting 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 long-term value creation can only be achieved by upholding certain corporate governance principles. These aim to achieve a sound balance between enhancing the entrepreneurial mind set and seeking financial results on the one hand, and integrating and respecting criteria that are not just financial in nature, such as protecting society and the environment, on the other.

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

B. Equal treatment

Shareholders of a company must be treated equally while respecting in particular the principle of “one share - one vote - one dividend”. In line with this principle, any measure intended to limit shareholders’ rights (e.g. creating share classes without voting rights) or create shares with special rights will not be supported.

¹ A network whose primary mission is to advocate and uphold international best practices in terms of corporate governance – www.ICGN.org

In addition, the conditions in which capital increases are organized (notably by means of the authorized share capital) will be closely monitored. If, they will lead to a refusal vote if this refusal is the only way 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 (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.

C. Protection of rights and protection of minority shareholders

DPAM wishes to ensure that the companies respect shareholders’ rights. If they have one or more controlling shareholders, they must also respect the rights and interests of minority shareholders.

In that regard, DPAM believes that shareholders (including minority shareholders) must first and foremost have all the means and information at hand enabling them to exercise their voting rights in an efficient and meaningful manner. All measures aiming to encourage and facilitate the exercising 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 exercising of shareholders’ voting rights will be considered as an infringement of the primary right of shareholders to be protected and will not be accepted.

D. Cooperation with other shareholders

DPAM fosters collaborative dialogue with other shareholders, but only to such an extent that dialogue and cooperation with other shareholders remain compliant with applicable laws and regulations, and is not considered as „acting in concert“ within the meaning of the EU Transparency Directive and the Takeover Bids Directive.

In order to demonstrate its commitment towards long-term sustainable financial management, DPAM is a signatory to various organizations. These are all organizations which share its aim to advocate financially responsible investments. DPAM membership of dynamic international collaborative initiatives ensures that it gains better insight into the challenges and opportunities that responsible investment entails.

Next to our commitment to the UN PRI, we are active members of national forums for the responsible investments, namely France (FIR), Spain (Spainsif), Italy (Finanza Sostenibile) and German-speaking countries (FNG)

II. Sound corporate governance 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 the best practices applicable in terms of corporate governance.

Corporate governance refers to how a company is managed and controlled, namely the way in which management works, its supervision and control mechanisms, as well as its relationship with other company stakeholders so as to ensure that the company’s management is aligned with the long-term interests of its shareholders.

A. Composition of the Board of Directors

In order to achieve sound corporate governance, the Board of Directors governing the 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.

DPAM believes that having diverse professional profiles within the Board of Directors contributes to decision-making that is in the best broad-based interests of the company. It also endorses a board's composition based on gender diversity and diversity in general, as well as on having complementary experience and know-how.

For this reason, it must be possible to assess the quality of the composition of the Board of Directors by taking into account the diversity and adequacy of the profiles of its members. This policy endorses diversity in competencies and expertise in the Board of Directors as it is enriching and encourages an open mind and constructive criticism.

Quality is also essential when it comes to the nomination process for members of the Board of Directors. This refers to the selection criteria and the nomination process for company directors. Such a process must include a phased renewal of its members, a succession plan of key functions of the Board of Directors as well as a regular assessment of the performance of the board. DPAM is in favour of measures aiming to combat the entrenchment of company directors.

Transparency as regards the composition of the Board of Directors also enables DPAM to assess to what extent the balance of powers in exercising authority is respected. It wishes to make certain that there is an equitable allocation of mandates among non-executive or even independent directors and (non-independent) executive directors.

B. Compensation

The term transparency also covers transparency as regards management remuneration so that shareholders can assess whether the planned remuneration is both equitable and responsible.

DPAM supports the "say-on-pay" principle. Shareholders should have the right to cast their vote (as a binding or advisory decision) on the remuneration policy for members of the 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 the shareholders are not consulted on the policy and/or the report, DPAM will engage with the company by means of its standard letter related to remuneration.

DPAM will support any remuneration measure for executive directors aiming to (i) promoting sound and effective risk management while not encouraging any risk taking that would exceed the level of risk, tolerated by the company, and (ii) promoting the objectives and long-term interests of the company, its shareholders and other stakeholders involved, by inter alia avoiding conflicts of interest. The management remuneration should also promote equal treatment of remuneration packages and other benefits based on the functions and responsibilities assumed, as well as a balance in line with market practices between fixed and variable remuneration based on performance objectives.

To that end, DPAM checks for the existence of independent remuneration committees in charge of drawing up a clear, transparent remuneration policy that aligns the interests of the management team with those of the company in the broad sense, as well as of the implementation thereof. The remuneration policy should ensure an appropriate balance between the fixed and variable components of the total remuneration. The fixed component always represents 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) development of the gross operating profit of the company; and (b) individual performance of the person. 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 payment or acquisition of the variable remuneration.

C. Committees

Also, DPAM attaches importance to the establishment and proper functioning of committees and advisory boards within the companies whose aim is to look into issues that may give rise to conflicts of interest and advise the Board of Directors in that regard. These committees include, among others, a remuneration committee, a nomination committee an audit committee and, if applicable, a risk management committee. Any measure which may jeopardise the independence or proper functioning of such committees will not be accepted.

D. Conflict of interests

Given the broad pool of director talent and the limited number of directors on any board, DPAM believes shareholders are best served by board members who lack any personal conflicts to representing their interests on the board. A board should be wholly free of people who have an identifiable and substantial conflict of interest. DPAM also expects directors who may face a potential conflict of interest to refrain from serving on any 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 independence 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, then the director should promptly declare such an interest and be precluded from voting on the subject or exerting influence.

III. Transparency and integrity of financial information

A. Financial statements

DPAM believes that any company must absolutely 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 in order to make well- informed decisions. This information must also be transparent and published on a regular basis, in accordance with the applicable legal and regulatory requirements, in order to ensure continuity as well as a total overall clarity.

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

B. Remuneration Policy

a) Objectives

DPAM believes that the remuneration policy should contribute to the company's business strategy and long-term interests and sustainability and should explain how it does so.

b) Format

DPAM considers it necessary for the companies to be transparent about their remuneration policy. The remuneration policy should be clear and understandable. It should give a good understanding of the total packages paid.

c) Content

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

- describe the different components of fixed and variable remuneration, including all bonuses and other benefits in whatever form, which can be 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, the remuneration policy should set clear, comprehensive and varied criteria for the award of the variable remuneration. It should indicate the financial and non-financial performance criteria, including, where appropriate, criteria relating to corporate social responsibility, and explain how they contribute to the objectives set out in paragraph (a) above, and the methods to be applied to determine to which extent the performance criteria have been fulfilled. It should specify information on any deferral periods and on the possibility for the company to reclaim variable remuneration;
- where the company awards share-based remuneration, the policy should specify vesting periods and vesting price and where applicable retention of shares after vesting and 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 the termination and payments linked to termination;
- explain the decision-making process followed for its determination, review and implementation, including, measures to avoid or manage conflicts of interests and, where applicable, the role of the remuneration committee or other committees concerned.

d) Revision

Where the policy is revised, it should describe and explain all significant changes and how it takes into account the votes and views of shareholders on the policy and reports since the most recent vote on the remuneration policy by the general meeting of shareholders.

IV. Environmental, social and good governance responsibility

DPAM adheres to OECD recommendations in terms of the social and environmental responsibility of companies. Social, environmental and economic goals must be embedded in the objectives of the company and respecting them is the primary mission of the Board of Directors. A Board of Directors must be able to assess and understand not only the commercial and reputational impact of the company's activities, but also their environmental and social ramifications. To that end, management needs to make certain that the required procedures and controls have been put in place to manage that impact.

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 in an overall context.

IMPLEMENTATION OF THE VOTING POLICY

I. 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 three independent members.

A. 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 said Voting Policy.

1. Review the Voting Policy on a regular basis (at least once a year) and adapt it according to the legal and regulatory requirements and best practices evolutions in terms of corporate governance
2. Ensure that the Voting Policy - in particular the adopted guidelines (as outlined below under item “*Guidelines for resolutions*”) - is applied when exercising the voting rights attaching to Shares issued by the Target Companies (as defined below under item “*Voting Scope – B. Target Markets – Target Companies*”);
3. Discuss practical issues that may have arisen during the ordinary and extraordinary general assemblies’ season (hereinafter together, “**GM(s)**” or “**GM Season**”) and define when required relevant guidelines for future cases;
4. Decide on the voting approach to adopt when an event of a conflict of interest arises in a meeting;
5. Adopt recommendations and engage dialogue with Target Companies’ management to promote the four principles of the Voting Policy and the best practices in terms of corporate governance
6. Study ad-hoc cases which could deviate from the Voting Policy and its guidelines and give appropriate voting guidelines
7. Validate the yearly activity report of voting process of DPAM and DPAS.

B. Operating Process

Persons external to DPAM and DPAS are members of the Advisory Board given their added value in terms of experience and expertise in corporate governance. Their independent vision increases the credibility of DPAM and DPAS’ responsible approach.

The Advisory Board meets at least twice a year (or more frequently through ad-hoc meetings, when necessary). There is a minimum quorum of presence: at least 50% of the members and at least one external member must be present or represented at the Advisory Board meetings.

The Advisory Board may hold meetings via conference call or video conference. In case of emergency, the Advisory Board may take written resolutions.

Decisions are taken by consensus. In case where a consensus cannot be reached, members are required to vote and the decision is taken by simple majority. External and internal members have one voting right. In case of tied vote, the Chairman has a casting vote.

Situations may arise where a member of the Advisory Board, or his or her immediate family member, has, directly or indirectly through another individual or entity, a personal or financial interest that compromise or could compromise its independence of judgment in exercising his/her responsibilities to the Advisory Board. Such conflicts of interests may include, but are not limited to:

- he/she, his or her immediate family member, is somehow linked to a Target Company, for instance because he/she is providing material professional services to the Target Company, he/she engages in material business relationship with a Target Company or he/she is 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 case of a conflict of interests, the member who is conflicted will adequately disclose the relationship to the other members and he/she will abstain from voting. If all members of the Advisory Board present or represented at the meeting are conflicted, the decision will be submitted to the Management Board of DPAM. The Chairman of the Advisory Board is elected every two years by a majority vote of the members of the Advisory Board. From 2019 this is held by an external member.

The Advisory Board appoint, amongst its members, a Secretary in charge of keeping the minutes of the Advisory Board. Those minutes are communicated to the asset management, buy-side research and credit analysis teams.

External members of the Advisory Board receive a fixed remuneration.

An Operational Voting Group (“**The Operational Body**”) has been formed. It is the operational body responsible for the implementation of decisions adopted by the Advisory Board. It is responsible for the day-to-day voting instructions. It regroups only the internal members of the Advisory Board. These are consulted by e-mail to ensure the highest level of reactivity during the general meetings season.

II. Voting scope

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

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 by the DPAM Funds and the institutional clients.

A. 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) EUR 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.

B. Target Markets – 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 (i.e. Germany, Austria, Belgium, Denmark, Spain, Finland, France, the United Kingdom, Ireland, Italy, Luxembourg, Norway, the Netherlands, Portugal, Sweden and Switzerland);
- North America (i.e. Canada and the United States).

III. 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**").

IV. Voting procedure

A. Follow-up of general meetings

A secure electronic platform managed by IVOX GL enables DPAM (through the members of the Operational Body who have access rights) to keep abreast of general meetings organized by Target Companies.

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

- the dates on which the Target Companies involved are to organize their GMs and the deadlines for submitting voting instructions;
- a copy of the documents to be given to shareholders for these meetings (including, in particular, 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),
- 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 on the basis of the general principles of sound corporate governance.

The principles of sound corporate governance IVOX GL adheres to in order to draw up its recommendations are the principles promulgated by the ICGN (International Corporate Governance Network) as well as any principles for sound corporate governance applied at national level (depending on the country).

B. Voting instructions

In order to automate and ensure a certain coherence of the voting process a, DPAM aims to align its voting instructions with the recommendations issued by IVOX GL.

To that end, DPAM groups the agenda items and resolutions proposals for the GMs into two categories, in function of their conformity or not with its voting recommendations at the Target Companies level. The votes at the GMs where the recommendations of our Voting Policy are in line with those of the Target Company management are automatic. Where at least one recommendation of our Voting Policy differs from the resolutions proposals at the level of the Target Companies, the management recommendations at 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.

C. 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 whereby 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, remuneration of the directors and questions relating to company capital.

The Operational body decides, by a majority vote, on how to vote. In the case of a split vote the vote of the Chairman is decisive and it is he or she who decides on the issue.

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 in order to participate in the general meetings.

D. Circumstances which may affect the exercising of voting rights

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

Although DPAM is committed to doing everything within its means to be able 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 advantages of exercising the vote do not offset the inconveniences that it causes, DPAM reserves the right not to activate the voting process and not to transmit voting instructions.

E. Securities lending policy

DPAM funds limit securities lending in such a manner that voting instructions can be applied to at least part of the Shares in the portfolio. The Operational Body may decide not to recall Shares when it deems this inopportune or when exercising the attached rights will not sufficiently offset the costs incurred by recalling the Shares.

When a vote is of particular strategic importance for the funds and when it pertains to Shares that have been lent out, these Shares can, insofar as possible, be recalled such that the Operational Body is able to fully exercise the associated voting rights.

F. 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:

- proposal to appoint within a given Target Company a director 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;
- the vote 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;
- the vote 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 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 (management report, explanatory documents for the attention of shareholders, etc.). The Advisory Board must then decide on the voting approach to adopt as regards the proposal submitted, i.e. in favour, against, or abstain.

G. Activity report

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

The voting policy is available on the DPAM website, as is the annual report on voting activity. 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.

Shareholders wanting to receive additional information on the votes cast during specific general meetings and/or for specific resolution proposals can obtain this information by e-mailing dpam@degroofpetercam.com.

GUIDELINES FOR RESOLUTIONS

I. Introduction:

The analysis principles defined below can be adapted in function of the nationality of the Target Companies 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.

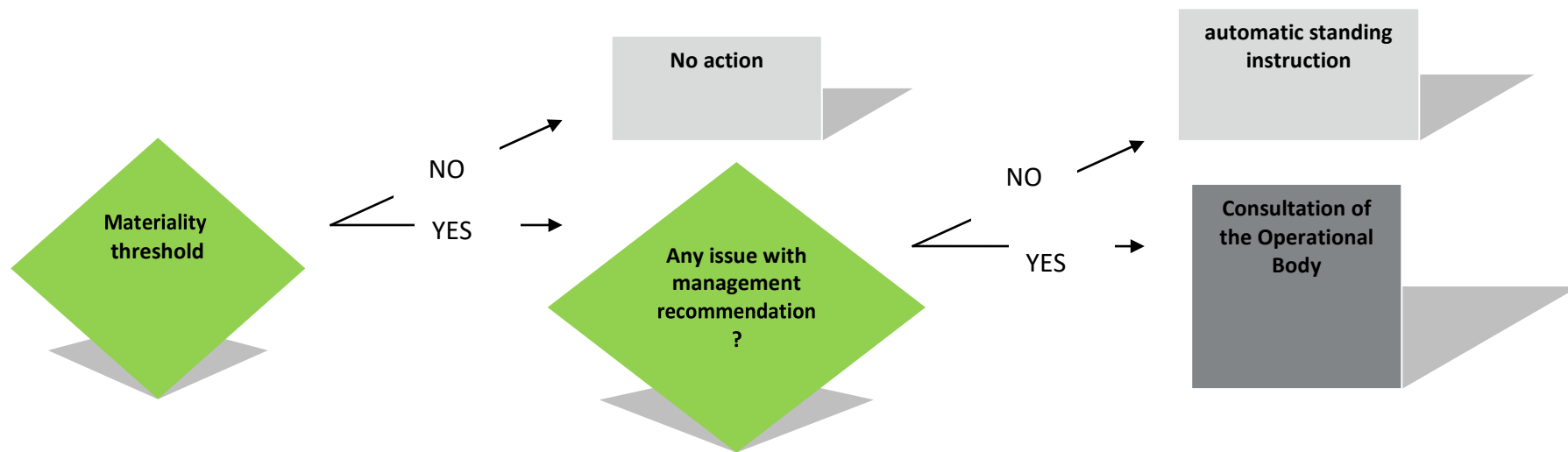
The principles listed below are not exhaustive. Their goal is essentially to briefly describe the stance taken for votes pertaining to recurrent themes involving issuers established on nearby markets and deemed of strategic importance by DPAM, namely: the approval of annual accounts, financial operations, the appointment and remuneration of directors and company representatives, and resolutions pertaining to the structure of company capital (anti-takeover measures, capital decrease conditions (share buy-backs), and/or capital increases (e.g. 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 judgment and is as such entitled to vote in a manner different from that set out in the Guidelines. More specifically, this may stem from the individual characteristics of the company in question (including specificities 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 blatantly 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.

Appendix 1: Decision tree for the voting process



Appendix 2: Analysis table for resolution guidelines

"KEY" SUBJECT	IN FAVOUR	AGAINST	ABSTAIN
ADMINISTRATION / MANAGEMENT			
Granting discharge to directors	<p>Unqualified audit report of the financial statements.</p> <p>No serious doubts regarding the sound management of the company.</p> <p>No management errors and/or violation of the law.</p> <p>No proceedings initiated (against the board or one of the directors) by another shareholder.</p> <p>No investigation or litigation involving one (or more) director(s) for insider trading.</p> <p>Good financial results.</p>	<p>Refusal of the auditors to certify the financial statements and or/expression of reservations/qualifications regarding the latter.</p> <p>Serious doubts regarding the sound management of the company.</p> <p>Management errors and/or violation of the law (including, in particular, corporate law and accounting standards).</p> <p>"Actio mandati" initiated by another shareholder.</p> <p>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).</p> <p>Unsatisfactory risk taking and/or unsatisfactory financial results (among others, when compared to other key players in the sector).</p> <p>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.</p>	
Appointments / Renewal / Conflicts of Interests	<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>Insufficiently detailed information on the candidate's profile.</p> <p>The candidate was not presented by an independent appointment committee.</p> <p>Imbalance between executive and non-executive/independent directors on the Board</p>	

The appointment (or renewal) maintains a balance between executive and non-executive/independent directors on the Board of Directors.

Mandate of maximum six years.

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

With the appointment of the candidate, the board will not have more than sixteen members in total.

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

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.

Taking into account the proposed appointment (or renewal), the candidate does not hold in total more than 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).

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

of Directors.

Mandate exceeding six years.

More than twenty members on the board.

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

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

The candidate would hold, including the proposed mandate, 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).

A candidate or a candidate who has an immediate family member, currently providing or having provided, during the previous three years 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 years period, in material commercial, real estate or other advantages .

Candidates who maintain "interlocking" board memberships, i.e. top executives who serve on each other's boards or on each other's remuneration committees.

QUESTIONS RELATED TO CAPITAL

Capital increase	<p>The proposed capital increase respects the principle of “one share - one vote - one dividend”.</p> <p>In case of a capital increase with preferential subscription rights, the amount of the intended increase does not exceed 50% of the existing capital.</p> <p>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.</p> <p>The proposed capital increase in listed real estate companies, without preferential subscription rights, if the dilution is limited to 20% of the capital.</p>	<p>The proposed capital increase disregards the principle of “one share - one vote - one dividend” (e.g. issuance of shares with multiple voting rights or “golden shares”).</p> <p>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%² of the existing capital.</p> <p>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.</p> <p>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%³ of the existing capital.</p>
Authorized share capital	<p>The Board of Directors can be authorized to raise the company’s capital on the condition that:</p> <p>The conditions under which the authorized share capital can be used respect the principle of “one share - one vote - one dividend”.</p> <p>The authorization is requested for a period of maximum five years.</p> <p>The maximum possible amount of the increase is defined and does not exceed 50% of the existing share capital.</p> <p>The board explains the reasons why it would like to have permission to make use of the authorized share capital as well as the specific circumstances under which it will be able to make use of the authorized share capital.</p>	<p>The conditions under which the authorized share capital can be used do not respect the principle of “one share - one vote - one dividend”. The authorization is requested, without due justification, for a period of more than five years.</p> <p>The maximum amount allowed for the increase is not defined and/or exceeds 50% of the existing share capital;</p> <p>The board does not explain the reasons why it wishes to receive the authorization to make use of the authorized share capital or the specific conditions under which it will be able to make use of the authorized share capital.</p> <p>The circumstances described enable the Board of Directors to make use of the authorized share capital for anti-takeover purposes.</p>

² Exceptions may be granted if the Advisory Board is able to provide valid justification for an increase that exceeds the Guidelines.

³ Exceptions may be granted for contributions in kind if the Operational Body is able to provide valid justification for an increase that exceeds the Guidelines.

Share buy-backs

In any case, these circumstances cannot include a possibility on the part of the Board of Directors to make use of the authorized share capital for anti-takeover purposes.

A company can be allowed to buy back its own shares if:

The buy-back conditions comply with the legal constraints applicable to the company in question (e.g. use of distributable reserves, buy-back limited to fully paid shares, etc.).

The buy-back authorization is limited in time (maximum five years) and does not allow the company to buy back more than 20% of its own shares.

The conditions of the buy-back programme do not allow the company to buy back its own shares for anti-takeover purposes.

The buy-back conditions do not comply with the applicable legal constraints.

The buy-back authorization is requested for a period exceeding five years.

The buy-back conditions do not comply with the applicable legal constraints.

The buy-back authorization is requested for a period exceeding five years.

The conditions of the buy-back programme enable the company to buy back its own shares for anti-takeover purposes.

“Poison Pills”	Implementing defense/anti-takeover mechanisms is generally considered as going against the interests of shareholders and any such resolution proposal will usually be refused.
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 (e.g. voting rights; dilution).</p> <p>Each merger/acquisition transaction will be subject to an individual/case-by-case analysis. The elements that are generally analyzed 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); whether any special interests may have influenced the directors and officers of the company to support or recommend the merger.

DISCLAIMER

This document is intended to provide an overview of DPAM's voting policy and guidelines. It is not intended to be exhaustive and does not address all potential voting issues.

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LEXICON

Anti-takeover measures (poison pills)	Is a form of defense tactic 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
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 how long a bid stays open to, who they offer to, and the information companies must give to the public about the bid. The most controversial provision, which eventually was 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 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)
GM	General meetings – refers to ordinary and extraordinary general assemblies
ICGN	International Corporate Governance Network
OECD	Organisation for Economic Cooperation and Development
RISG	Responsible Investment Steering Group: group consisting of fifteen professionals from various departments with Degroof Petercam Asset Management and whose objectives are amongst others (i) to reflect on ESG challenges, (ii) to make sure that our approach, methodology, products and services remain transparent and coherent, and (iii) to ensure that our principles for responsible investment dovetail with the six Principles of Responsible Investment set out by the United Nations.

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
UN PRI	Principles for Responsible Investment supported by United Nations. These are 6 Principles asset owners and asset managers can support for more sustainable finances.