

## **Report on Stewardship and Engagement Policy**

### **covering the calendar year 2023**

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Date: August 21<sup>th</sup> 2024

This report has been prepared in accordance with the article 1er sexies (1) 2. of the Law n°562 of August 1, 2019 implementing the Directive (EU) 2017/828 with regards to the encouragement of longterm shareholder engagement (the SRD II). It covers the Stewardship and Engagement of assets entrusted to Alpha Patrimoine SA by its clients through discretionary management mandates.

Our voting principles are described in the Stewardship and Engagement Policy available on our website.

#### ***1. How the engagement policy is implemented?***

We decided to implement and use the Broadridge Financial Solutions who partnered with Banque de Luxembourg to implement a new voting platform allowing its clients to vote electronically at various General Assemblies that enables secure, cost-effective, and environmentally friendly voting. This platform also allows us to track our voting decisions electronically, which we find to be a superior solution for our investors compared to traditional methods. Consequently, we choose not to vote when the General Assembly is not accessible through this platform, and we also refrain from voting at other custodian banks used by our clients due to cost considerations. We weigh the trade-off between fees and the impact on performance. Using the Banque de Luxembourg/Broadridge platform incurs a fee that is deducted from the performance of the assets we manage. Moreover, we evaluate the trade-off between fees and the impact on outcomes. When deciding whether to vote at a General Assembly, we consider both the need to express our views and the influence we can have on the voting results. We are more likely to vote at the General Assembly of companies where we can cast a higher proportion of the capital or when we want to make our voice heard regarding a specific matter. Conversely, if we deem the proposed resolutions as relatively unimportant, we are less inclined to vote.

During the calendar year 2023, we had the opportunity to vote at 32 General Assemblies of 34 companies through the platform. On those 32 General Assemblies, we casted our votes in 28. In both cases where we decided not to participate, we refrained from voting not to impair our ability to sell the security at short notice as we were in the process of divesting the company. In the 28 General Assemblies we participated to, we examined and casted our votes on 510 resolutions.

During the year 2023, we applied rigorously those principles when deciding how to vote at the various General Assemblies. On the 510 resolutions we casted our vote:

- In favour of the resolutions in 477 instances (i.e 94%)

- Against the resolution in 33 instances (i.e. 6%). When proposing resolutions to the General Assembly, management of the company can recommend shareholders to vote for, against or may not give any recommendation.

On the 510 resolutions we casted our vote:

- In line the recommendation of the Management in 468 instances (i.e. 91%),
- Against the recommendation of the Management in 26 instances (i.e. 6%),
- In 16 instances (3%) where the Management had not given any recommendation.

## **2. Explanation of the most important votes**

Considering our size, we consider the most significant votes as the ones where we decide to register a vote to voice our opposition to certain practices or projects i.e. where we decided to vote in a manner contrary to the recommendations of the Board.

In 2023, this encompasses the following cases: - We opposed Boards' recommendations by voting against resolutions related to issuance of new shares in 8 different meetings. In most cases, those resolutions allowed the Board to issue equity shares without pre-emptive rights or grant, at its own discretion, new or existing shares. We understand that this kind of operations can be beneficial in some circumstances (e.g. Merger and Acquisition) and we understand that the companies had no short term plan to use these authorizations. However, we considered those resolutions as too broad, giving too much power to the Board and diluting the shareholders' power. - We voted against Boards' resolutions relative to compensation policies in 3 different meetings as we considered that the compensation policies were not adequate and did not take sufficiently into account the interests of minority shareholders. In one instance, we engaged directly with the company to explain the reason behind our vote. - In 3 different meetings, we voted in support of 4 resolutions put forth by shareholders and where the management recommended to vote against. We considered that those resolutions provided added protection for shareholders (e.g. lowering the ownership threshold required to call a special shareholders' meeting, request of shareholder approval for senior management severance and termination payments) or increased the transparency given to the shareholders and the general public (e.g. special report on tax transparency).

## **3. Use of proxy advisors**

As stated in our Stewardship and Engagement Policy, we consider proxy voting as an integral part of our investment activity. Alpha Patrimoine S.A. uses ProxyEdge in order to participate in the General Assemblies and cast its votes.

**4. Disclosures of how votes were casted in the general meetings of companies in which shares are held**

Considering the size of assets managed by Alpha Patrimoine S.A. and the size of companies invested in, we consider the size of holdings as not significant enough to warrant a disclosure company by company.

**5. Conflict of interest**

Alpha Patrimoine S.A. considers that it did not face any conflict of interest in its duties related to Stewardship and Engagement in the period under review.