

# The principles of DJE Investment S.A. for the exercise of voting rights

## A) General information

The DJE Investment S.A. has extensive fiduciary duties regarding its managed funds. It owes special care and loyalty to its investors. DJE Investment S.A. is aware of its responsibility regarding the execution of shareholders' rights of shares held by its funds. If the DJE Investment S.A. holds a number of shares or voting rights in a height where the execution of which can be assumed to influence the business policy and strategy DJE Investment S.A. will vote in respect of the agenda items of a general meeting.

In principle a possible influence is assumed as soon as the DJE Investment S.A. holds more than 0.3% of the capital of a company through its managed funds. In individual cases it can also be assumed that the company will have an influence in the event of a lower shareholding.

DJE Investment S.A. will always carry out a cost-benefit analysis when exercising voting rights. If, for example, the exercise of voting rights is associated with disproportionately high expenditure or disproportionately high costs the DJE Investment S.A. will refrain from exercising voting rights.

DJE Investment S.A. will exercise shareholders' rights independently of the interests of third parties such as investors in other funds, DJE Kapital AG (parent company of DJE Investment S.A.), managing directors, members of the board of directors, brokers, fund service providers commissioned by DJE Investment S.A., etc. exclusively in the interest of investors.

A conflict of interest may arise if the interests of DJE Investment S.A. do not match with the interests of the fund investors. DJE Investment S.A. will endeavour to resolve any conflicts of interest in the interests of the investors. In particular the following conflicts of interest have been identified in connection with the exercise of voting rights:

- o exercise of voting rights of a company that is also a client of DJE Investment S.A.
- o exercise of voting rights of a company that is also a supplier of important products and services to exercise of voting rights on behalf of a company that is significantly involved in the distribution of DJE Investment S.A. products.
- o exercise of voting rights for a company that also acts as an important broker/trader for DJE Investment S.A.
- o exercise of voting rights for a company with which employees of DJE Investment S.A. have a personal relationship.
- o exercise of voting rights for companies in which members of the management of DJE Investment S.A. have a management, supervisory or advisory function.

DJE Investment S.A. has appointed a Compliance Officer to manage conflicts of interest. In detail the following measures are taken to avoid conflicts of interest:

- o preparation and maintenance of a register of listed companies that have a client relationship with DJE Investment S.A.
- o creation and maintenance of a register of listed companies that are important suppliers of products and services of DJE Investment S.A.
- o preparation and maintenance of a register of listed companies which are significantly involved (10 largest companies on the basis of the sales commission paid) in the sale of investment products of DJE Investment S.A.
- o Preparation and maintenance of a register of the largest securities brokers and counterparties (10 largest counterparties on the basis of brokerage commissions).
- o Notification by board members, managing directors and employees prior to assuming supervisory or advisory functions in listed companies.
- o Definition of a participation policy regarding the exercise of voting rights at shareholders' meetings of companies in which UCIs managed by DJE Investment S.A. have invested (participation policy available at [www.dje.lu](http://www.dje.lu))

DJE Investment S.A. commissions the company IVOX GLASS LEWIS GMBH to prepare independent analyses and to issue recommendations for the exercise of voting rights in accordance with BVI guidelines for German companies and to take the proxy paper guidelines of Glass Lewis & Co into account for the following countries: Europe (without Germany), United States of America, Hong Kong and Switzerland.

Due to time, organisational and logistical reasons and the high costs involved, employees of DJE Investment S.A. will normally not attend general meetings in person. DJE Investment S.A. will vote on the platform and grant IVOX GLASS LEWIS GMBH the right of proxy voting. Only in individual cases proxy voting instructions will be issued for a proxy who will vote in the name and on the instructions of the Management Company.

DJE Investment S.A. will use its voting behaviour to influence shareholders' meetings, corporate governance and business policy of the companies. DJE Investment S.A. will agree to the measures on the agenda if in the opinion of DJE Investment S.A., they increase the value of a company in a long-term and sustainable manner. DJE Investment S.A. will vote against agenda items that conflict with the aforementioned objectives. Thus, measures will be voted against which are directed towards short-term profit making and which burden a long-term positive and sustainable economic development as well as improvement of competitiveness.

DJE Investment S.A. has defined voting principles that determine voting behaviour. Both industry standards (BVI Analysis Guidelines for Annual General Meetings 2024) and components of various international corporate governance codes were used to draw up the catalogue of criteria.

DJE Investment S.A. is supported by IVOX GLASS LEWIS GMBH in the analysis of agenda items and the submission of voting recommendations. The basic requirement for this is that the analysis and submission of recommendations by IVOX GLASS LEWIS GMBH takes into account the criteria listed below. DJE Investment S.A. may also make use of the services of other third parties to fulfil its documentation obligations and to obtain information in connection with general meetings.

The Board of Management and the Compliance Officer will carry out an annual assessment and, if necessary, revise the guidelines. The aforementioned group will also conduct an annual review and evaluation of the services provided by a third party assignee.

The voting recommendations are recorded in writing and contain the following points:

- (a) voting procedure and manner ("for"/"against"/"abstain")
- (b) reasons for the decision

DJE Investment S.A. will ensure that the following voting documents are kept for a period of 5 years:

- o documents that led to the voting decision in the relevant vote
- o storage of IVOX GLASS LEWIS GMBH analyses
- o copies of conflict notifications

The annual notice on the implementation of the participation requirement, including a general description of their voting behavior, an explanation of the main votes and their use of the services of voting rights advisers, shall be made through the annual reports of the funds it manages. Although it is generally assumed that DJE Investment S.A. may exert influence if the funds it manages hold more than 0.3% of the capital of a company (in individual cases, it can also be assumed that DJE Investment S.A. exerts influence in the event of a lower participation), the fact that the participation in the respective companies is rather insignificant means that it does not publish the same votes as DJE Investment S.A. has cast in general meetings of companies in which the funds it manages hold shares. At the request of an investor, more detailed information on voting behavior will be made available to the investor. At the request of an investor this more detailed information on voting behaviour will be made available.

## B) Voting principles in detail

### 1. Management board / supervisory board / administrative board

A responsible management and control of the company directed to long-term value creation is in the interest of its shareholders. The composition, activities and remuneration of the executive bodies should reflect this; this will be noticed by the shareholders because of appropriate transparency and open communication.

## 1.1 Election

- Critical factors in the election of members of the executive or non-executive Supervisory Board or Board of Directors are to be considered:
  - lack of comprehensive description of the qualifications of the candidates based on detailed curricula vitae with in particular:
    - career, incl. current main professional activity
    - age
    - nationality
    - date of first election to the board
    - duration and end of the current appointment
    - other mandates, stating any stock exchange listing or group affiliation of the companies concerned

The information is to be published permanently and updated in the Internet.

- Lack of clear allocation of the necessary qualifications specified in the competence profile of the full Supervisory Board to the individual candidates in the form of a qualification matrix
- Poor diversity, especially considering gender (e.g. no representative of the underrepresented gender for supervisory boards with four or fewer members or less than 30 percent for more than four members), age or qualification;
- More than
  - three mandates in total for one executive member
  - five mandates in total for a non-executive member who does not hold an executive function in any company or more than three mandates in total as a member of the Supervisory Board who holds an executive function in any company.

Chair positions count twice, the position in which the candidate is to be appointed is counted, further executive activities in companies outside the group are excluded, but several mandates within a group count as one mandate only if they are clearly marked: Foreign mandates must be taken into account; similar activities are also considered mandates, e.g. board of directors or non-voluntary advisory board; mandates not specified in more detail are automatically counted as full mandates; another full-time activity has to be specified.

- for companies with a monistic organisational structure: personal union between Chief Executive and Chairperson.
- Less than half of the shareholder representatives on the supervisory board/bodies are independent, i.e. in this case the election or re-election of all non-independent candidates is viewed critically
- insufficiently qualified majority of committee members are independent;
- the Chair of the Audit Committee is not independent;
- the Chair of the Compensation Committee is not independent;
- no independent member of the Supervisory Board has expertise in the fields of accounting or auditing;
- e.g. a member is specially not to be regarded as independent in the following cases:
  - membership of a corporate body for more than ten years
  - representative of a shareholder who holds more than 10 percent of the voting rights
  - former member of the company's Management Board regardless of the date of resignation
  - additional relationship with the Management Board, the Supervisory Board or the company
  - Member is delegated, i.e. special or delegation rights for certain shareholders
- Change from the Executive Board to the Chair of the Supervisory Board, even after a cooling-off period: a long-serving member of the Executive Board may become an ordinary member of the Supervisory Board after a cooling-off period of two years or upon proposal by shareholders with more than 25 percent of the voting rights.
- block elections
- in the event of re-election:
  - for members of the Compensation Committee: inadequate or no response to significant shareholder criticism of the compensation system (e.g., approval of less than 75 percent).

- no individualized disclosure of attendance at meetings of the Supervisory Board, e.g. the full Supervisory Board and committees
- attendance at less than 75 percent of meetings without sufficient justification.
- a mandate period of 15 years is exceeded.
- Personal union between chairmanship of the Supervisory Board and chairmanship of the Audit Committee.

## 1.2 Relief

Critical factors for the discharge of members of the Executive Board, the Supervisory Board or the Board of Directors are to be considered:

- No adequate measures to identify, prevent, manage and disclose conflicts of interest
- inadequate internal control system and/or risk management system and/or inadequate description of adequacy and effectiveness;
- Non-compliance with legal provisions, corporate and/or group guidelines (compliance)
- pending proceedings, e.g., challenges to the balance sheet, insider dealing, corruption or antitrust violations
- demonstrable impairment of the interests of minority shareholders;
- clear and sustained violations of generally recognized socially responsible investment (SRI) or environmental social governance (ESG) guidelines;
- failure to appoint a member of the executive body responsible for ESG issues;
- lack of reporting on sustainability
- incorrect declarations of compliance
- failure to meet self-imposed corporate diversity targets.
- target of zero percent of women in the composition of the respective board or, in the case of the Board of Management, also in the two management levels below the Board of Management
- no long-term succession planning between the Supervisory Board and the Management Board
- failure to vote on the remuneration system for the Management Board and the Supervisory Board
- in the case of virtual shareholders' meetings pursuant to § 118a AktG:
  - unreasonable restriction of the right to ask questions per shareholder in advance,
  - Establishment of a total maximum number of permissible questions from shareholders in advance,
  - restriction of the right to ask questions or provide information at the Annual General Meeting to follow-up questions (Sec. 131 (1d) AktG) and questions on new matters (Sec. 131 (1e) AktG);
- No information in the invitation on the intended participation of all members of the corporate bodies for the entire duration of the Annual General Meeting;
- for companies with a monistic organizational structure: personal union between Chief Executive and Chairperson
- no rectification or statement in the case of Annual General Meeting resolutions on compensation (system and report) and discharge with less than 75 percent approval of the voting rights represented at the Annual General Meeting in the previous year
- for executive members:
  - lasting worse results compared to the industry
  - non-compliance with essential transparency standards, e.g. non-publication of:
    - articles of association,
    - rules of procedure of the Board of Directors,
    - remuneration reporting,
    - detailed information on the annual progress of the implementation of the diversity policy,
    - CVs of executive members)
- The Management Board does not pay attention to diversity when appointing managers in the company
- for a non-executive member:
  - lack of exercise of supervision of executive members
  - the Supervisory Board does not pay attention to diversity in the composition of the Management Board
  - a company has no affiliation limits or does not publish them
  - Personal union between Supervisory Board Chair and Audit Committee Chair

- less than half of the shareholder representatives on the Supervisory Board/ full Board and committees are independent.
- the Chair of the Audit Committee is not independent.
- no remuneration committee or nomination committee was established for a Supervisory Board with six or more members
- lack of naming of financial experts and their specific qualifications
- lack of expertise in the supervisory board on sustainability issues and/or lack of disclosure of sustainability expertise in a qualification matrix
- no ESG targets in the remuneration of the board of directors,
- A regular age limit for members of the Executive Board, Supervisory Board and Board of Directors is not specified or published.
- non-compliance with essential transparency standards, e.g. non-publication of:
  - CVs of non-executive members permanently and up to date on the website with the criteria for the presentation of qualifications in elections,
  - articles of association,
  - rules of procedure of the Supervisory Board
  - names of committees
- lack of individualized reporting in a clear manner on the presence of Supervisory Board members at Supervisory Board and committee meetings.
- existence of discretionary leeway, e.g.
  - discretionary factors in annual bonus exceeding 20 percent increase or decrease or not covered by maximum compensation
  - increase in fixed salary by more than 10 percent without explanation of an appropriate reason, e.g. increase in salaries for the entire workforce
- lack of transparency e.g.:
  - no clear and comprehensible disclosure of all compensation performance parameters
  - in the disclosure of stock option programs;
  - increasing or inadequately reduced remuneration of members of the Board of Managing Directors in conjunction with poorer company results:
  - remuneration that is not performance-related or disproportionate or severance pay of any kind;

### 1.3 Remuneration

#### 1.3.1 Compensation system for the Management Board

Critical factors for the vote on the compensation system for the Executive Board or executive members are:

- in determining the compensation system and setting the specific total compensation, deviations are made from relevant recommendations of the German Corporate Governance Code of 28 April 2022 (G. 1 - G.5).
- the share of fixed compensation exceeds the intended share of short- and long-term variable compensation
- the share of short-term, in particular one-year variable compensation exceeds the share of long-term variable compensation
  - the performance parameters used to determine the variable compensation are:
    - are not differentiated according to Management Board responsibility or accountability
    - are not fixed for the upcoming financial year for each member of the Board of Management and are not aligned with strategic objectives
    - are exclusively linked to the share price, especially in the case of stock options and other share-based compensation components
- do not indicate any sustainability orientation, in particular in that no explicit ESG factors are taken into account in short- or long-term target achievement
- do not differ in the criteria chosen for STI and LTI.
- do not include at least two criteria in each STI and LTI.
- allow the use of adjusted key figures without proper justification
- retrospective adjustment of performance parameters that facilitate the achievement of the specified targets
- variable compensation component in equity-based components is linked to the height of dividends,
  - except in the case of a relative TSR component
  - lack of a clearly defined and transparently presented peer group
  - lack of clearly defined and traceable bonus or malus components
  - lack of claw-back mechanism for compensation components paid out ("claw-back")
- possibility of granting special bonuses that go beyond the compensation of assumed compensation obligations
- Possibility of granting dividend equivalents
- lack of obligation to make personal investment (Share Ownership Guidelines)
- stock option plans are issued jointly for members of the Management Board and employees:
- stock option plans exceed a dilution of 10 percent

#### 1.3.2 Compensation system of the Supervisory Board

The following are to be regarded as critical factors for the vote on the compensation system of the Supervisory Board or the non-executive members.

- the compensation is not appropriate relative to comparable companies
- the compensation is not predominantly fixed
- if variable compensation components exist
- linkage to the dividend or comparable short-term performance indicators
- lack of focus on long-term corporate development

#### 1.3.3 Compensation report

The following are to be regarded as critical factors for the vote on the compensation report:

- The compensation report is based on a compensation system that violates the preceding points under items 1.3.1 or 1.3.2.
- The compensation report does not contain any statements on compliance with the relevant compensation system.
- The compensation report does not contain all relevant information regarding the compensation granted and owed in the last financial year to each individual current or former member of the Executive Board and Supervisory Board of the Company.
- The compensation report does not contain all information on fixed and variable compensation components, in particular transparent information on the respective target setting and the degree of target achievement itself.
- The Compensation Report does not contain a comparative presentation of the annual change in compensation, the Company's earnings performance, and the average employee compensation considered over the last five fiscal years.
- The compensation report does not contain complete information on stock option programs, in particular on tranches exercised during the reporting period and on future programs.
- The compensation of the respective executive bodies is not disclosed in the compensation report on an individualized basis
- The disclosure is not made in a transparent, uniform and clear manner, at least in the form of the sample tables attached to the German Corporate Governance Code in the version dated February 7, 2017, including a comparison to the previous year

## 2. Capital measures and share buyback

Capital measures and share buybacks are in the interests of shareholders if they increase the company's long-term prospects of success. Judgement of the shareholders is only possible if companies explain their financing strategy. The legitimate interest in the protection of business secrets must be taken into account.

### 2.1 Capital increase

Critical factors for resolutions of all capital increases (including authorized and conditional capital increases) are to be considered:

- issuance of preference shares

- issuance of preference shares
- initial issue of preference shares
- non-marketable subscription rights
- lack of justification and information on the long-term strategy of the company with regard to capital measures
- ordinary capital increases do not serve to clearly increase the company's earnings opportunities in the long term
- the amount of the total remaining reserve capital and its percentage share of the share capital are not stated in the documents relating to the Annual General Meeting.

Critical factors for advanced resolutions (approved and conditional capital increases) are to be considered:

- The proposed capital increase exceeds 20 percent of the share capital.
- The total stock resolutions cumulatively exceed 40 percent of the capital stock
- The proposed capital increase exceeds 10 percent of the share capital and subscription rights are excluded. All exclusions of subscription rights - with the exception of the settlement of fractional amounts - apply. Exclusions of subscription rights are to be considered cumulatively; stock option resolutions already provided for in the Articles of Association are to be included.
- Limitation of subscription right exchanges are only regulated by a voluntary commitment, which is not included in the Articles of Association.

## 2.2 Buyback of shares

The following are to be regarded as critical factors when buying back shares

- The applicant company is in economic difficulties.  
Applications for share buyback without justification and information on the long-term strategy of the company with regard to capital measures.
- The repurchase of shares is not regulated in the same way for all investors. There are advantages for individual shareholders.
- The price at which shares are to be repurchased exceeds the respective market price by 10%.
- Repurchase volume of more than 10% (advance resolution).  
A period of approval of more than 2 years, excluding share repurchase programs that are solely for compensation purposes.
- Approval to issue repurchased preference shares.

## 3. Appropriation of Profits

The dividend policy should be in line with the long-term corporate strategy and appropriate and transparently explained.

Critical factors in the appropriation of profits are to be considered:

- The dividend is not appropriate compared to the industry average and does not correspond to the company's financial result
- Dividends are paid out of the company's assets (except in justified exceptional cases).
- No option to pay cash dividends when authorized to use scrip dividends.

## 4. Auditor

The annual financial statements are intended to give a true and fair view of the net assets, financial position and results of operations of the company. The basic requirement for this is the independence and impartiality of the auditor and the auditing company with regard to remuneration.

Critical factors in the appointment of the auditor or the financial and sustainability report are to be considered:

### 4.1 Auditor

- Doubts as to the accuracy of the audit of the financial statements
- Doubts about the quality assurance measures applied with regard to audit procedures:
- Doubts or lack of transparency with regard to the selection and processing of audit focal points.
- Pending proceedings against the audit firm or the responsible auditor

### 4.2 Independence

- The independence of the auditing company or the responsible auditor in the preparation and presentation of the annual financial statements is not guaranteed in the long term.
- Consulting activities are not sufficiently proven (if necessary also by negative declaration) to determine independence.
- The auditor responsible is not explicitly named in the annual report, stating the year of first appointment, even if the auditors were last changed. Indirect mention via the auditor's report is not sufficient.
- The responsible auditor has been appointed for more than 5 years. Information on the duration of the appointment of the auditing company shall be disclosed in the annual report or permanently on the website in advance.

### 4.3 Remuneration

- The remuneration is not shown and/or is not appropriate.
- The remuneration for the audit of the annual financial statements is not disclosed separately from the other fees, in particular consulting fees ("non audit fees").
- The consulting fees repeatedly or disproportionately exceed the examination fees without adequate justification.

## 5. Mergers and Acquisitions

Mergers and acquisitions are in the interests of shareholders if they are in line with the company's long-term strategy. Shareholders can only judge this if companies provide background information. The legitimate interest in the protection of business secrets must be taken into account.

Critical factors are to be considered:

- The purchase price offered does not correspond to the sustainable enterprise value and there is no demanding corporate governance.
- For transactions that exceed 30 percent of the respective stock market value of the acquiring company, the approval of the shareholders is not obtained by a general meeting.
- The surcharge is based on a three-month average price. Measures to prevent takeovers (e.g. poison pills)

## 6. Interests of Shareholders

The rights of shareholders shall be protected in compliance with the principle of equal treatment. Special rights and measures that impair shareholders' rights are not in the interests of shareholders.

Critical factors are to be considered:

- violation of compliance with the "One Share - One Vote" principle
- multiple voting rights, voting rights restrictions (voting caps) and special rights (e.g. delegation rights, loyalty dividends or loyalty shares for long-term shareholders)
- amendments to the Articles of Association that change the rights of shareholders.
- amendments to the articles of association for holding virtual general meetings, if
  - the amendment to the Articles of Association is to be limited to a period longer than two years,
  - the amendment to the Articles of Association stipulates that the Management Board may convene virtual Annual General Meetings without the consent of the Supervisory Board,
  - no written statement is made in the explanatory memorandum to the proposed amendment to the Articles of Association as to whether and under what conditions use is to be made of an authorization of the Board of Management in the future,
  - no written declaration is made on the specific form of shareholder rights in future virtual shareholders' meetings, ensuring in particular that the right to ask questions per shareholder in the run-up to the shareholders' meeting is not unreasonably restricted and that no overall maximum number of permissible questions is specified in advance and that the right to ask questions or obtain information in the shareholders' meeting is not restricted to follow-up questions (section 131 (1d) AktG) and questions on new matters (section 131 (1e) AktG) (cf. section 1.2);
- failure to provide or incomplete provision of all documents on the Company's website from the time of convening the meeting. Documents,

amendments, etc. published after the thirtieth day prior to the Annual General Meeting cannot be taken into account

- absence of an archive of at least five years containing all documents relating to the Annual General Meeting, i.e. no removal of documents after the Annual General Meeting
- No on-time publication of the specimen-voting card on the website with publication of the agenda.

## **7. Corporate Governance Code and Best Practice**

Responsible corporate management in compliance with nationally and internationally recognized corporate governance standards is in the interests of shareholders.

The following standards apply:

- The benchmark for the analysis of critical points in shareholder meeting proposals is always the country-specific code. In the case of companies listed on a German stock exchange, these are the requirements of the German Corporate Governance Code. In addition, the essential elements of recognized principles (e.g. OECD, ICGN, UN Global Compact) have to be taken into account when reviewing critical points and to be applied to the relevant agenda items such as discharge, elections or shareholder motions;
- Reasons must be given for proposed amendments to the Articles of Association
- Applications that are submitted after the deadline and consequently cannot be analyzed in depth (ad-hoc applications) are viewed critically.
- Corporate governance issues not explicitly mentioned in the previous sections should also be reviewed against market best practice. This may also include other requests, e.g. for special audits.
- Sustainability reporting is carried out in accordance with established frameworks such as GRI.
- The company's diversity policy should be formulated and published. The progress of implementation should be reported on regularly.

## **8. Reports and Proposals**

### **8.1 Approval of reports**

Critical factors to be considered are:

- pending proceedings (contestation of the balance sheet, other illegal activities)
- lack of publication
- the company does not report according to internationally recognized standards (in particular GRI, TCFD, SASB) or does not publish important information in an internationally recognized manner (website, annual report)
- there are concerns about the audit methods
- audit opinion is not unqualified

### **8.2 Request for supplementary information and special audit**

Critical factors to be considered are:

- Disproportionality between costs and benefits
- Restriction of shareholder rights or disadvantage of shareholders, especially minority shareholders
- Proposal leads to deterioration of corporate governance
- Lack or incorrect statement of reasons.

### **8.3 Say-on-climate**

A report on the climate strategy and its implementation should be submitted to shareholders for approval at regular intervals, particularly by companies in high-emission sectors.

Critical factors in a say-on-climate are

- no disclosure of all relevant greenhouse gas emissions;
- no specific targets and interim targets for the reduction of greenhouse gas emissions, taking into account the goals of the Paris Agreement;
- no reporting on the progress of the climate strategy.