

Remuneration Policy

with guidelines for the allocation of variable remuneration, and for special payments and pension policy

1. Background

This Remuneration Policy has been drawn up in accordance with *Section 107(1) of the Danish Act on Asset Management Companies and Investment Services and Activities*. In accordance with Section 107(1) of the Act on Asset Management Companies and Investment Services and Activities, an asset management company must have a remuneration policy and practice that are in accordance with and promote sound and effective risk management, and do not give incentives for excessive risk taking. The Remuneration Policy must be gender-neutral. The Remuneration Policy – and in particular the guidelines for the allocation of variable remuneration and for the pension policy – is furthermore prepared in accordance with Section 109 of the Act on Asset Management Companies and Investment Services and Activities. Sections 109 –109 c of the Act on Asset Management Companies and Investment Services and Activities sets a number of limitations to the allocation of variable remuneration elements, and pension and special payments, including severance payments. Section 108 of the Act on Asset Management Companies and Investment Services and Activities sets requirements concerning remuneration that are not in conflict with the obligations of Fondsmæglerselskabet Maj Invest A/S (Maj Invest) to act in the client's best interest, i.e. a prohibition of, for example, a remuneration structure that makes it possible to achieve variable remuneration elements based on sale to retail clients.

The Remuneration Policy and its application area, preparation, updating, control and publication are drawn up in accordance with the *updated Remuneration Policy Order*¹ (the "Order"). The Remuneration Policy also implements the ESG Disclosure Regulation concerning sustainability-related disclosures.

¹ Order concerning remuneration policy and remuneration in banks, mortgage institutes, asset management companies, investment management companies, mutual funds and certain holding companies.

In accordance with the requirements in Section 111, as a consequence of the value of the company's assets, Maj Invest has not appointed a remuneration committee².

2. Overall objective

The objective is for Maj Invest's Remuneration Policy and practice to contribute to:

- Ensuring competitive remuneration
- Promoting business development
- Giving management and employees opportunities for co-ownership, in order to strengthen value creation
- Promoting sound and effective risk management

It is also the objective that the Remuneration Policy and practice are gender-neutral and take account of the extent to which Maj Invest's remuneration structure must contribute to appropriate management of sustainability risks, cf. the ESG Disclosure Regulation.

The Remuneration Policy has also been drawn up in order to observe the overall considerations in Section 9 of the Remuneration Policy Order, including that the Remuneration Policy is in accordance with Maj Invest's business strategy, values and goals, in harmony with the principles for protection of clients and investors, and includes measures to avoid conflicts of interest, ensure an appropriate balance between fixed and variable remuneration elements, and ensure compliance with the restrictions to the use of variable remuneration set out in Sections 109 and 110 of the Act on Asset Management Companies and Investment Services and Activities, and that the total variable remuneration does not impair Maj Invest's opportunities to strengthen its capital base.

3. Area of application of the Remuneration Policy

The general principles apply to all employees of Maj Invest Holding.

The Remuneration Policy also sets restrictions concerning:

- The Board of Directors, including members elected by the employees (but not deputies) concerning their Board positions, but not for their employment as such.
- Executive Board

² The criterion in Section 111 is: asset management companies and asset management holding companies of which the value of balance-sheet and off-balance-sheet assets amounts to an average of EUR 100 million or more during the four-year period immediately preceding the relevant financial year must appoint a remuneration committee, cf. subsection 2-5, however.

- Employees whose activities have a significant influence on the company's risk profile ("significant risk takers"). This group is reviewed by the Board of Directors at least once a year. At Maj Invest, currently six employees are defined as significant risk takers, in addition to the company's Executive Board and Board of Directors and employee-elected Board members: The head of the Markets function (part of the Investor Relations and Markets department), the head of the trading function in Markets (part of the Investor Relations and Markets department), the head of Finance, the head of Legal & Compliance and the head of Equities for Danish equities, as well as the head of Equities for value equities. Board members elected by the employees are, as Board members, also defined as significant risk takers.

Individual elements of the Remuneration Policy also apply to:

- Employees in special functions: Employees involved in control functions, including employees who work with compliance. Besides the head of Finance in Accounting & Risk Management, who is part of the group of "significant risk takers", this is currently limited to employees in Accounting & Risk Management, employees in Legal & Compliance, and employees in Middle Office.

4. The Remuneration Policy's general remuneration principles and restrictions for selected groups

The following general remuneration principles and restrictions apply:

a. General remuneration principles and share scheme for all employees of Maj Invest:

- Fixed salary.
- Mandatory pension contributions of up to the current 10 per cent.
- Performance-based bonus comprising between 0 and 12 months' salary. The performance-based bonus is discretionary and is determined by the management on an annual basis, typically based on an assessment of the results of the person concerned, the results of his or her department, and the company's results. In individual special cases within selected business areas subject to growth, a bonus in addition to 12 months' salary may be agreed, whereby the bonus is based on the business development within a specific area. This bonus may be non-discretionary, and is otherwise independent of the company's results.
- Employees must receive equal pay for the same work, or work of the same value, irrespective of gender and gender identity. Employees may not be subject to discrimination on the basis of gender and gender identity concerning their career opportunities, including promotion, work tasks, and education and training. Any infringement of the discrimination prohibition on the basis of gender and gender identity must be included in the annual assessment of the determination of the fixed remuneration.

- Remuneration principles and practice (for fixed remuneration) must take account of whether the employee has acted in the clients' best interest.
- Maj Invest employees are subject to restrictions to the allocation of variable remuneration under the Act on Asset Management Companies and Investment Services and Activities and the Order. For the Executive Board and significant risk takers, there is primarily fixed remuneration, see below. The remuneration structure is therefore only suitable to a limited extent to ensure *incentives* to integrate sustainability risks for all employees. Maj Invest advises on and undertakes portfolio management for several products/strategies, with varying integration of sustainability and classification according to SFDR. Sustainability requirements have been agreed for the individual products/strategies and with the individual customer. Maj Invest employees must comply with sustainability requirements in customer agreements and are obliged to integrate sustainability risks in accordance herewith. The remuneration structure must support that sustainability requirements of products/strategies agreed with the customer are complied with. Remuneration principles and practice only to a limited extent allow for the individual employee to also take principles in the Sustainability Risk Policy into account. In the event of material breach of the Sustainability Risk Policy, this is included in the annual assessment of the determination of the salary of each employee.
- Individual equity incentives.

b. Board of Directors

- There is fixed remuneration of the Board of Directors. The fixed remuneration of the overall Board of Directors at Group level is subject to approval by the annual general meeting and is disclosed in the Notes to the Annual Reports for Maj Invest. Any changes are proposed by the Board of Directors, represented by the chairmanship, for approval by the annual general meeting.
- There is no remuneration of committees and there are no variable remuneration elements. This may be deviated from in extraordinary cases, such as special individual cases.
- The chairman of the board has paid phone, Internet connection, parking at Maj Invest and possibly health insurance.

c. Executive Board

The remuneration of the Executive Board may consist of several elements:

- Fixed remuneration. The fixed remuneration of the Executive Board at Group level is disclosed in the Notes to the Annual Reports for Maj Invest. The fixed remuneration reflects responsibility, competences and project-related contribution. The fixed remuneration must furthermore reflect whether the Executive Board has contributed to integrating the general *remuneration principles for all employees*. The remuneration paid is disclosed in the Annual Report under Management Positions.

- Bonus scheme based on results at Group and department level, and the individual's performance. The total variable remuneration of the Executive Board at Group level is disclosed in the Notes to the Annual Reports. Bonus schemes during the past year have been below or at maximum DKK 100,000, for which the Board of Directors has determined, based on a concrete assessment, that on a proportionality basis, a specific exemption can be made from the requirements in Section 109(1), paras (4) and (5) of the Act on Asset Management Companies and Investment Services and Activities. New bonus schemes (which do not fall under the clause immediately below) will also be below or at DKK 100,000 *and* fulfil the following conditions in clause 5, as well as Section 109 of the Act on Asset Management Companies and Investment Services and Activities, but so that the Board of Directors may also for new bonus schemes, on a proportionality basis, make a specific exemption from the requirements in Section 109(1), paras (4) and (5) of the Act on Asset Management Companies and Investment Services and Activities.
- Performance bonus/equity incentives related to performance in specific equity funds and to specific investment undertakings in the same funds (see the Notes to the Annual Report for Maj Invest Holding A/S) are either variable remuneration agreed before 1 January 2011 or non-variable remuneration agreed before the Act on Alternative Investment Fund Managers (AIFM) entered into force. New agreements on performance bonus/equity incentives will be drawn up in accordance with AIFM, including the requirements of preferential yields in Section 20 of AIFM.
- Pension scheme whereby up to 10 per cent of the gross monthly salary is paid as a monthly pension contribution.
- Other salary benefits such as free telephone, Internet connection, newspaper, personal accident and life insurance, health insurance, etc.
- Salary during an agreed notice period, for which there is no equivalent customary work obligation, will be paid out on a monthly basis during the notice period, in accordance with Section 109 b of the Act on Asset Management Companies and Investment Services and Activities.
- Severance payments in the range of up to two years' salary, which fulfil the conditions in Section 109(1)–(6) of the Act on Asset Management Companies and Investment Services and Activities, and Section 15 of the Order. According to the aforementioned provisions, the severance payment must reflect the results achieved in the position, and may not reward shortcomings or failure to achieve results. The severance payment will be paid out in monthly instalments equivalent to the recipient's average monthly salary, including pension, in the last financial year. Payment of the severance payment cannot begin until any salary during the notice period has been paid out in full. Payment will otherwise take place in accordance with Section 109 c(4) and (5) of the Act on Asset Management Companies and Investment Services and Activities. The rules concerning severance payments under Sections 109 a . 109 c of the

Act on Asset Management Companies and Investment Services and Activities may not be deviated from by agreement.

- Non-solicitation clauses may have been agreed, which may lead to a payment in connection with severance.

d. Significant risk takers and employees in special functions

The remuneration of significant risk takers and employees in special functions may consist of several elements:

- Fixed remuneration.
- Bonus scheme based on the results of Maj Invest and an assessment of the individual's performance and results at Group and department level. Bonus schemes during the past year were below or at maximum DKK 100,000, for which the Executive Board has determined, based on a concrete assessment, that on a proportionality basis, a specific exemption can be made from the requirements in Section 109(1), paras (4) and (5) of the Act on Asset Management Companies and Investment Services and Activities. New bonus schemes (which do not fall under the clause immediately below) will be below or amount to a maximum of DKK 100,000 and fulfil the following conditions in clause 5, as well as Section 109 of the Act on Asset Management Companies and Investment Services and Activities, but so that the Executive Board may also for new bonus schemes, on a proportionality basis, make a specific exemption from the requirements in Section 109(1) paras (4) and (5) of the Act on Asset Management Companies and Investment Services and Activities.
- Performance bonus/equity incentives related to performance for specific equity funds and to specific investment undertakings in the same funds are either variable remuneration agreed before 1 January 2011 or non-variable remuneration agreed before the Act on Alternative Investment Fund Managers (AIFM) entered into force. New agreements on performance bonus/equity incentives will be drawn up in accordance with AIFM, including the requirements of preferential yields in Section 20 of AIFM.
- Pension scheme whereby up to 10 per cent of the gross monthly salary is paid as a monthly pension contribution.
- Other salary benefits such as free telephone, Internet connection, newspaper, personal accident and life insurance, health insurance, etc.
- Severance payments in the range of up to two years' salary, which fulfil the conditions in Section 109(1)–(6) of the Act on Investment Firms, etc., and Sections 15–17 of the Remuneration Policy Order.
- Non-solicitation clauses may have been agreed, which may lead to a payment in connection with severance.

The aforementioned restrictions may not be circumvented for significant risk takers by split employment.

For both the Executive Board and significant risk takers, (i) agreements or changes to existing agreements after 1 January 2011 concerning bonus schemes /performance bonus; (ii) pension contributions, etc.; and (iii) special payments, including severance payments, must be in accordance with clause 5 of the Guidelines for allocation of variable remuneration elements, see below.

5. Guidelines for allocation of variable remuneration elements

Variable remuneration elements for the Executive Board

Variable remuneration elements that are paid out in accordance with agreements established or amended after 1 January 2011 are subject to the following limitations:

- *Who decides them:* The Board of Directors, represented by the chairmanship, annually decides on the Executive Board's variable remuneration elements. The bonus schemes are discretionary and are determined on the basis of:
 - An assessment of the Executive Director's results, the results of his or her departments, and the company's results;
 - Consideration of non-financial criteria, such as compliance with internal rules and procedures;
 - and must otherwise reflect existing and future risks.

The evaluation of the Executive Directors' results is based on discussions between the CEO and the chairmanship.

- *Maximum amounts:* The variable remuneration element may amount to a maximum of DKK 100,000 per annum (in addition to any preferential yields).
- *What they may consist of – exemption from payment in instruments:* The Board of Directors may – for a bonus of maximum DKK 100,000 – on the basis of a proportionality consideration of the circumstances of Maj Invest and the Executive Director make specific exemption from the requirements in Section 109(1) para (4) of the Act on Asset Management Companies and Investment Services and Activities that payment may take place in cash, without adherence to the instrument requirement in the *Order*.
- *When they may be paid – exemption from the deferral requirement:* The Board of Directors may – for a bonus of maximum DKK 100,000 – on the basis of a proportionality consideration of the circumstances of Maj Invest and the Executive Director – make specific exemption from the requirements in Section 109(1) para (5) of the Act on Asset Management Companies and Investment Services and Activities and decide that payment may take place without deferral and retention and will not adhere to the requirements in the *Order* in this respect.
- *Retention (back testing) and reimbursement (claw back):* Bonus must otherwise comply with the principles in Section 109, including the rules concerning retention if the award criteria are not fulfilled in accordance with Section 109(5) (back testing) of the

Act on Asset Management Companies and Investment Services and Activities; and concerning reimbursement if the employee is not in good faith, in accordance with Section 109(5) (claw back) of the Act on Asset Management Companies and Investment Services and Activities. Severance payments are furthermore subject to limitations in Section 109 c of the Act on Asset Management Companies and Investment Services and Activities, including the rules concerning retention and reimbursement.

Variable remuneration elements for significant risk takers.

The following limitations will apply to *significant risk takers*:

- *Who decides them*: The Executive Board will annually consider the variable remuneration elements for this group. The Board of Directors will exercise control of the remuneration. The bonus schemes are discretionary and are determined on the basis of:
 - An assessment of the recipient's results, the results of his or her department, and the company's results;
 - Consideration of non-financial criteria, such as compliance with internal rules and procedures;
 - and must otherwise reflect existing and future risks.

The evaluation of the employee's performance during the year takes place as an annual employee development agreement.

- *Maximum amounts*: The variable remuneration element may amount to a maximum of DKK 100,000 per annum (in addition to any preferential yields). The maximum variable remuneration element will also apply at Group level, so that in the event of split employment, the variable remuneration element for a significant risk taker may amount to a maximum of DKK 100,000 per annum.
- *What they may consist of – exemption from payment in instruments*: The Executive Board may – for a bonus of maximum DKK 100,000 – on the basis of a proportionality consideration of the circumstances of Maj Invest and the risk taker – make specific exemption from the requirements in Section 109(1) para (4) of the Act on Asset Management Companies and Investment Services and Activities and decide that payment may take place in cash, without adhering to the instrument requirement in the *Order*.
- *When they may be paid – exemption from the deferral requirement*: The Executive Board may – for a bonus of maximum DKK 100,000 – on the basis of a proportionality consideration of the circumstances of Maj Invest and the risk taker – make specific exemption from the requirements in Section 109(1) para (5) of the Act on Asset Management Companies and Investment Services and Activities and decide that payment may take place without deferral and retention and will not adhere to the requirements in the *Order* in this respect.
- *Retention (back testing) and reimbursement (claw back)*: Bonus must otherwise comply with the principles in Section 109, including the rules concerning retention if the

award criteria are not fulfilled in accordance with Section 109(5) (back testing) of the Act on Asset Management Companies and Investment Services and Activities; and concerning reimbursement if the employee is not in good faith, in accordance with Section 109(5) (claw back) of the Act on Asset Management Companies and Investment Services and Activities.

For employees in special functions the following limitations will apply:

- Variable remuneration elements must be independent of the results of the activities or the services controlled by the employee.

6. Guidelines for special payments, including severance payments

For the Executive Board, members of the Board of Directors elected by the employees, and significant risk takers, agreed severance payments may not exceed two years' fixed salary including pension and must otherwise fulfil the requirements in Sections 15–17 of the Remuneration Policy Order, and with regard to the Executive Board, Section 109 c of the Act on Asset Management Companies and Investment Services and Activities. Non-solicitation clauses may have been agreed, which may lead to a payment in connection with severance. A severance payment may also be required in accordance with the Danish Salaried Employees Act. New appointment payments must likewise fulfil the requirements in Section 16 of the Remuneration Policy Order.

7. Guidelines for pensions (pension policy)

The Executive Board, members of the Board of Directors elected by the employees, and significant risk takers, like the other employees, are subject to a pension scheme whereby Maj Invest currently pays in up to 10 per cent of the gross monthly salary as a monthly pension contribution. No discretionary pension contributions may be agreed or paid out.

8. Remuneration Report

The Board of Directors will prepare an annual Remuneration Report in accordance with Section 107(5) and (6) of the Act on Asset Management Companies and Investment Services and Activities. The Remuneration Report must include:

- Details of the total remuneration that each member of the Board of Directors and the Executive Board has earned, in that position, from Maj Invest and other undertakings within the same Group during the last three years, including details of the key elements of retention and severance schemes.
- An account of the relation between the management's remuneration and the undertaking's strategy and relevant goals for this.

The Remuneration Report is subject to approval by the annual general meeting and is thereafter published. See clause 10 below.

9. Preparation and updating, and control of compliance with the Remuneration Policy

To ensure that the Remuneration Policy fulfils its purpose and the regulatory requirements, and that the policy is adjusted to the company's development, the Board of Directors reviews the Remuneration Policy once a year, and ensures that it is approved by the annual general meeting. The Remuneration Policy is furthermore reviewed on any significant change, in accordance with Section 107(2) of the Act on Asset Management Companies and Investment Services and Activities.

The Board of Directors ensures that once a year there is control of compliance with the Remuneration Policy. Guidelines for the Executive Board for control of the Remuneration Policy are laid down by the Board of Directors, which receives annual reports on the results of this control. The control is planned to ensure the greatest possible independence of the departments of Maj Invest that are controlled, with due consideration of Maj Invest's limited size, organisation and activities.

The Board of Directors, Executive Board and Legal & Compliance were involved in the preparation of the updating of the Remuneration Policy, which the Board of Directors has assessed to be responsible, taking due account of the company's limited size, and the organisation, scope and complexity of the activities of Maj Invest, and in particular the limited extent of variable remuneration.

10. Publication of Remuneration Policy, etc.

The Executive Board ensures that the employees who are subject to the Remuneration Policy are familiar with this Policy.

Details of the Remuneration Policy and practice will be published in accordance with Sections 19, 20 and 22 of the Remuneration Policy Order, as well as Section 107(2) of the Act on Asset Management Companies and Investment Services and Activities. Selected details of the Remuneration Policy and practice will be published in the Annual Report published on the company's website www.majinvest.com.

The total remuneration of each member of the Board of Directors and Executive Board received by the person concerned on the basis of his or her duties for the company, and which the person concerned has received during the same year as a member of the Board of Directors or Executive Board of a company within the same Group, will be published.

The Remuneration Report will be published on Maj Invest's website as soon as possible after the annual general meeting is held, in accordance with Section 107(7) of the Act on Asset Management Companies and Investment Services and Activities. The Remuneration Report will remain publicly available on the website for a period of ten years. The Remuneration Report may be available for a longer period than ten years, provided that it no longer contains personal data.

Questions concerning Maj Invest's Remuneration Policy and Remuneration Report can be addressed to CEO Jeppe Christiansen. Approved at the meeting of the Board of Directors on 4 March 2024. To be approved at a general meeting of the company.

Adopted by the Board of Directors at the meeting of the Board of Directors on 4 March 2024.

Board of Directors:

Chairman of the Board
Tommy Pedersen

Board member
Jørgen Tang-Jensen

Board member
Nils Bernstein

Board member
Maria Helene Hjorth

Board member
Britta Korre Stenholt

Board member
Søren Krag Jacobsen

Board member
Kirsten Slot