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MS/RMO

## Voting Policy

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### **In general – policy for exercising voting rights**

The purpose of Fondsmæglerselskabet Maj Invest A/S' (Maj Invest) mandates is to pursue the client's interests in order to achieve satisfactory returns. Satisfactory returns must be viewed in relation to the investment policy and risk limitations for the mandate and are subject to possible limitations in relevant regulation and governance documentation applicable to the client, and the client's costs related to investments.

The following Voting Policy applies to Investeringsforeningen Maj Invest and Maj Invest Funds, and other selected discretionary mandates. For discretionary mandates clients may have legal or governance requirements, which results in specific requirements for voting.

As a starting point Maj Invest makes investments for clients as an asset manager and as portfolio investments and not investment acquisitions in order to achieve control of the individual portfolio company. Maj Invest will, in principle, not exercise voting rights in portfolio companies on the client's behalf in order to achieve control of the portfolio companies.

As an element of the ongoing portfolio management, and where this is deemed to be relevant, Maj Invest will evaluate the management, capital structure, etc. of individual portfolio companies. In some cases, Maj Invest may assess that exercising of voting rights might be of certain significance to the returns on the investment in a company, in the view of the investment goals and investment strategy for the client. Exercising voting rights may be an alternative to selling the ownership interests or securities in the portfolio company. In its recommendation for exercising of voting rights, Maj Invest may apply a proportional estimate in relation to the client's ownership interests in the portfolio company.

### **Strategy for exercising voting rights**

As a rule, voting rights are exercised by the client/client's management company, with due observation of agreed terms in the agreement between the client and Maj Invest.

Specific arrangement may be agreed in relation to individual clients, e.g. Maj Invest may when deemed relevant advise clients to vote on a specific matter. In other cases either a

non-voting approach or a proxy voting approach is taken. Specific Voting Instructions to proxy service providers may be decided and communicated for each strategy.

Before exercising the voting rights in a portfolio company, the client/client's management company can seek advice from Maj Invest. Whether to exercise voting rights in a portfolio company or not is assessed individually and is dependent on the circumstances, and is to be carried out in the interests of the client.

### **Carrying out the voting**

The exercise of the voting rights depends on the agreement between the client and Maj Invest.

As a general rule, if Maj Invest makes a specific recommendation that the client should exercise its voting rights, unless another approach has been agreed with the client, Maj Invest must send a written recommendation for approval by the client/client's management. After approval, the client/client's management company will ensure that the voting rights are exercised, unless another approach has been agreed with the client, possibly in cooperation with the client's custodian bank/securities-account holding company.

When applying this voting policy, Maj Invest applies its Responsible Investment Policy. Maj Invest's primary responsibility as an asset manager is to secure the best possible return for our clients over the long term. In this role, Maj Invest also believes that environmental, social and governance (ESG) factors can affect the performance of the investment portfolios. Maj Invest is a signatory to the UN-backed Principles for Responsible Investment, PRI, which outlines our commitment as an asset manager. The PRI is a set of six investment principles that encourages the adaptation of ESG factors into investment practice. Therefore, and where consistent with our responsibilities, we are committed to incorporating ESG factors into our investment criteria, and where relevant casting votes.