

24 August 2020

MS/RMO

Voting Policy

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, Maj Invest Funds, Maj Invest Global Value Equities Fund, LP, Maj Invest Global Value Equities CIT, as well as other selected discretionary mandates. For discretionary mandates, clients may have legal or governance requirements, which results in specific requirements or set-up 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

Voting rights are exercised by the client/client's management company both in case the client has opted to retain full voting authority or approval right in the agreement between the client

and Maj Invest, and in case no other voting arrangement with regards to clients' securities has been made in connection with the investment agreement.

As a general rule, the agreement between Maj Invest and the client will either provide for a non-voting approach, a voting approach (either proxy voting or case-by-case approach) or a consultative approach where Maj Invest upon request may advise clients on a specific voting matter.

In absence of a specific agreement with the client on voting, the client/client's management company may always seek advice from Maj Invest before exercising the voting rights in a portfolio company. Specific arrangement may be agreed in relation to individual clients.

Whether to exercise voting rights in a portfolio company is assessed in accordance with the client agreement, dependent on the circumstances and to be carried out in the interests of the client. Specific Voting Instructions to proxy service providers may be decided and communicated for each strategy.

Carrying out the voting

The exercise of the voting rights depends on the agreement between the client and Maj Invest. As a general rule, clients' agreements either provide for Maj Invest to abstain from voting on behalf of the client or to vote (either on a base-by-case decision or by proxy).

If the client has opted to retain full proxy voting authority, Maj Invest may upon request make a specific recommendation on how the client could exercise its voting rights. In such case, any voting recommendation from Maj Invest would be approved by the client. The client/client's management company will ensure that the voting rights are exercised unless another approach is agreed with the client and its custodian.

If the client has delegated either the full or part of the process of exercising of voting, a voting arrangement will observe the agreed terms in the specific client agreement between the client and Maj Invest.

Maj Invest has adopted this Voting Policy which – together with the Policy on Responsible Investment and Maj Invest being a signatory to PRI – reflect Maj Invests' general approach to exercising voting authority with respect to client securities and procedures on voting. Maj Invests' primary responsibility as an asset manager is to secure the best possible return for the client over the long term. In this role, Maj Invest is attentive to environmental, social and governance (ESG) factors that can affect the performance of the investment portfolios. Maj Invest is a signatory to the UN-backed Principles for Responsible Investment, PRI, which outlines Maj Invest's commitment as an asset manager. The PRI is a set of six investment principles that encourages the adaption of ESG factors into investment practice. Therefore, and

where consistent with Maj Invest's responsibilities, Maj Invest is committed to incorporating ESG factors when, and where relevant, casting votes.

Process for using proxy service providers

Maj Invest's procedures on the use of proxy voting aim to ensure voting in the best interest of the client and handling of any material conflicts in respect to voting.

The exercise of proxy voting is subject to specific agreements, if any, with each client. When agreed with the client, Maj Invest uses a third-party external service provider (Third-Party Service Provider) for carrying out the proxy voting on client securities. For this purpose, Maj Invest has retained Third-Party Service Provider ISS Governance to provide advice on proxies and assist in coordinating and voting proxies with respect to client securities.

In case of proxy voting, the Third-Party Service Provider's recommendations on proxy votes are provided on a case-by-case basis. Maj Invest will review the recommendations and make the final decision. In particular, a member of the investment team will review recommendations in case of discrepancy between voting recommendations of the Third-Party Service Provider and the executive board of management of the portfolio company (*contested matters*), or in case of voting agendas with significance and materiality for the investment value of the relevant security (*non-routine with significant discernible positive or negative impact for the client's portfolio*).

ISS Governance will propose to vote in accordance with ISS *International Public Fund Proxy Voting Guidelines (Policy Recommendations)*. Proxy voting will not take place by default, as Maj Invest has retained the right to vote on behalf of the client and may override any recommendation provided, taking into account whether voting a given proxy is prudent and in the best interest of the client. When doing so, Maj Invest will also consider if there are any conflicts of interest with regards to such voting and, in the unlikely case of conflict of interest, escalate to the client.

The Third-Party Service Provider is monitoring and tracking proxies based on the feed generated from Maj Invest or custodians, as may be the case. The Third-Party Service Provider will keep record of all proxy votes and votes cast.

Reporting on voting

Reporting requirements and actual reporting depends on the specific arrangement agreed with each client. Reporting on voting activity can be agreed and provided based on the records retained by the Third-Party Service Provider.

Furthermore, Maj Invest is subject to the EU Shareholder Directive as investment manager and Maj Invest is reporting on manager level in accordance herewith as of 2020.