

Remuneration Policy

with guidelines for the allocation of variable remuneration, for special payments and for the 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 (“Fondsmæglerloven”). The Remuneration Policy – and in particular the guidelines for the allocation of variable remuneration and for the pension policy – has furthermore been drawn up in accordance with Section 109 of the Act on Asset Management Companies and Investment Services and Activities. The policy sets a framework for the terms of remuneration of all employees and significant risk takers, including the Executive Board and Board of Directors, in Fondsmæglerselskabet Maj Invest A/S (“Maj Invest”) in accordance with the remuneration regulations in the Act on Asset Management Companies and Investment Services and Activities and the Remuneration Policy Order¹. The Remuneration Policy is determined in order to ensure that the remuneration is not in conflict with Maj Invest’s obligations to act in the customer’s best interests, cf. Section 108 of the Act on Asset Management Companies and Investment Services and Activities. This entails, for example, the prohibition of a remuneration structure that makes it possible to achieve variable remuneration elements based on sale to retail customers.

The Remuneration Policy also implements the ESG Disclosure Regulation concerning sustainability-related disclosures.

2. Overall objective

Maj Invest’s Remuneration Policy and practice contribute to supporting the company’s business strategy, values, goals and long-term interests by:

- ensuring competitive remuneration to be able to recruit and retain qualified and performance-oriented employees;
- promoting business development by giving opportunities for allocation of variable remuneration that supports responsible conduct and rewards performance and initiatives in accordance with Maj Invest’s strategy goals;
- giving management and employees opportunities to strengthen value creation;

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

- promoting sound and effective risk management by ensuring an appropriate balance between fixed and variable remuneration elements and ensuring compliance with the limitations to the use of variable remuneration as set out in Section 109 of the Act on Asset Management Companies and Investment Services and Activities;
- ensuring that remuneration does not reduce Maj Invest's opportunities to strengthen its capital base;
- supporting gender neutrality by ensuring equal pay for the same work, or work of the same value, irrespective of gender and gender identity; and
- preventing conflicts of interest and ensuring that remuneration, including the determination of variable remuneration elements, is in harmony with the principles of protection of customers and investors by ensuring that remuneration does not create incentives to achieve specific sales targets, and by supporting responsible and appropriate conduct in relation to customers.

This remuneration structure does not aim to achieve a correlation between remuneration and integration of sustainability risks, as the Board of Directors receives fixed Board remuneration, while the Executive Board and other significant risk takers primarily receive a fixed salary.

3. Organisation and area of application of the Remuneration Policy

The general principles apply to all employees of Maj Invest.

The Remuneration Policy also sets out specific principles and limitations for the company's principle risk takers:

- 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.
- Others employees whose activities have a significant influence on the company's risk profile ("other significant risk takers"). This group is determined by the Board of Directors, who makes a reassessment at least once a year. Other significant risk takers are designated on the basis of a recommendation from Legal & Compliance, which must consider qualitative (the employee's function) and quantitative (the employee's salary) criteria.

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 "other significant risk takers", this is currently limited to employees in Accounting & Risk Management, employees in Legal & Compliance, and employees in Middle Office.

In accordance with the requirements in Section 111 of the Act on Asset Management Companies and Investment Services and Activities, as a consequence of the value of the company's assets, Maj Invest has not appointed a remuneration committee².

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

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

Fixed salary:

- The employee's manager considers the fixed salary on their appointment and on an ongoing basis during the term of employment.
- Employees are allocated a fixed salary which is based on and must reflect the individual role, performance and position, including professional experience, seniority, education, competences and responsibility.
- 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 salary of each employee.
- Determination of an employee's salary must take account of whether the employee has acted in the customers' best interests.
- 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 account of principles in the Sustainability Risk Policy. In the event of persistent material breach of the Sustainability Risk Policy, this is included in the annual assessment of the determination of the salary of the individual employee.

Variable salary:

² The criterion in Section 111 is: asset management companies and asset management holding companies for 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. subsections 2-5, however.

- 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 their department, and the company's results. Examples of results are long-term earnings, investment results, retention of customers, contributions to development of products, and individual equity incentives, as well as initiatives that contribute to the Group's strategy.
- 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 independent of the company's results.
- Conduct-oriented criteria are also included in the management's assessment. Such criteria might be compliance with internal rules and procedures, customer satisfaction, and contribution to cooperation.
- Bonus schemes must reflect existing and future risks.

b. Board of Directors

Fixed remuneration:

- 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 committee membership.

Other salary benefits:

- The Chairman of the Board of Directors has a paid mobile phone, internet connection, parking at Maj Invest, and possible health insurance.

Variable remuneration:

- No variable remuneration elements are allocated to members of the Board of Directors.

c. Executive Board

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

Fixed salary:

- 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 fixed remuneration of the Executive Board at Group level is disclosed in the Notes to the Annual Reports for Maj Invest. The remuneration paid is disclosed in the Annual Report under Management Positions.

- The remuneration of the Executive Board is primarily fixed. The remuneration structure is therefore only to a limited extent suitable to ensure *incentives* to integrate sustainability risks for all employees.

Other salary benefits:

- Other salary benefits such as free telephone, internet connection, newspaper, personal accident and life insurance, health insurance, etc.

Variable salary:

- Bonus scheme based on results at Group and department level, and the individual's performance, as decided annually by the Chairman of the Board of Directors. The total variable remuneration of the Executive Board at Group level is disclosed in the Notes to the Annual Reports.
- Bonus schemes are discretionary and are determined according to the same variable remuneration principles as stipulated under clause a.
- The evaluation of the Executive Director's results is based on discussions between the CEO and the chairmanship.
- Bonus schemes are in practice below or at maximum DKK 100,000 (besides any preferential yield), where the Board of Directors finds, according to an annual concrete assessment, that based on a proportionality consideration a specific exemption can be made from the requirements in Section 109(1) paras (4) and (5), and subsection (3) of the Act on Asset Management Companies and Investment Services and Activities; cf. Section 12 of the Remuneration Policy Order. This means that the Board of Directors may decide that payment may only take place in cash, and not in instruments, and that the employee can be paid the full bonus in the allocation year, without any deferral. This also means that the employee is not obliged to retain the instruments for a period after allocation.
- The maximum variable remuneration element will also apply at Group level, so that in the event of split employment, the variable remuneration element for an executive director may amount to a maximum of DKK 100,000 annually.
- 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 (the AIFM Act) entered into force on 22 July 2013. New agreements on performance bonus/equity incentives will be drawn up in accordance with the AIFM Act, including the requirements of preferential yields in Section 20 of the AIFM Act.
- Bonus allocation must fulfil the requirements concerning backtesting and clawback in accordance with Section 109(4) and (5) of the Act on Asset Management Companies and Investment Services and Activities.

Salary during an agreed notice period:

- 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.

d. Other significant risk takers and employees in special functions

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

Fixed salary:

- Fixed remuneration is determined on the basis of the general remuneration principles under clause a.
- For other significant risk takers, there is primarily fixed remuneration. The remuneration structure is therefore only to a limited extent suitable to ensure *incentives* to integrate sustainability risks for all employees.

Other salary benefits:

- Other salary benefits such as free telephone, internet connection, newspaper, personal accident and life insurance, health insurance, etc.

Variable salary:

- The Executive Board annually considers variable remuneration elements for other significant risk takers and employees in special functions. The Board of Directors will exercise control of the 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. Variable salary is allocated according to the same principles as for variable remuneration, as stipulated under clause a.
- Bonus schemes are in practice below or at maximum DKK 100,000, where the Executive Board finds, according to a concrete assessment, that based on a proportionality consideration a specific exemption can be made from the requirements in Section 109(1) paras (4) and (5), and subsection (3) of the Act on Asset Management Companies and Investment Services and Activities; cf. Section 12 of the Remuneration Policy Order. This means that the Board of Directors may decide that payment may only take place in cash, and not in instruments, and that the employee can be paid the full bonus in the allocation year, without any deferral. This also means that the employee is not obliged to retain the instruments for a period after allocation.
- The maximum variable remuneration element will also apply at Group level, so that in the event of split employment, the variable remuneration element for significant risk takers may amount to a maximum of DKK 100,000 annually.

- 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 (the AIFM Act) entered into force on 22 June 2013. New agreements on performance bonus/equity incentives will be drawn up in accordance with the AIFM Act, including the requirements of preferential yields in Section 20 of the AIFM Act.

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

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.

5. Guidelines for special payments, including severance payments

For the Executive Board, members of the Board of Directors elected by the employees, and other significant risk takers, agreed severance payments may not exceed two years' fixed salary including pension and must otherwise fulfil the requirements in Section 15 of the Remuneration Policy Order, and with regard to the Executive Board, Sections 109 a and 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.

No new appointment payments, retention payments or other special payments are awarded.

6. Guidelines for pensions

The Executive Board, members of the Board of Directors elected by the employees, and other 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.

7. Remuneration Report

The Board of Directors prepares 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 9 below.

8. 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 also 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 subject to control, 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.

9. Publication of Remuneration Policy, etc.

The Executive Board ensures that the employees who are subject to the Remuneration Policy are familiar with this policy and with the other documents describing how their remuneration is determined, and how their performance is evaluated.

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 in the Annual Report in accordance with Section 107(3) of the Act on Asset Management Companies and Investment Services and Activities.

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 30 April 2024. To be approved at an extraordinary general meeting of the company.

Adopted by the Board of Directors at the meeting of the Board of Directors on 30 April 2024.

Board of Directors:

Chairman of the Board
Henrik Parkhøi

Board member
Jørgen Tang-Jensen

Board member
Nils Bernstein

Board member
Maria Hjorth

Board member
Gitte Lillelund Bech

Board member
Søren Krag Jacobsen

Board member
Kirsten Slot