

List of Signatures

Page 1/1



MI - P-MI-19 01 - Active Ownership Policy_24 02 2025_EXE COPY.pdf

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Active Ownership Policy

1. General Approach

- 1.1 This policy outlines Fondsmæglerselskabet Maj Invest ("Maj Invest") general approach concerning active ownership on behalf of our clients. Maj Invest aligns its active ownership policy with international principles, such as the UN-supported Principles for Responsible Investment (PRI). Maj Invest incorporate ESG considerations into policies and practices to ensure responsible investment management.
- 1.2 This policy applies to Maj Invest and its client relationship with Investeringforeningen Maj Invest (Denmark), Maj Invest Funds (Luxembourg), Maj Invest Global Value Equities Fund, LP (US), Maj Invest Global Value Equities CIT (US), but also other discretionary mandates. For discretionary mandates, this policy applies unless other follows from the specific agreement with the client or specific legal or governance requirements from clients necessitate special arrangements, which is particularly relevant in respect of voting activities.
- 1.3 Maj Invest recognizes the importance of avoiding and managing conflicts of interest in relation to engagement activities. Active ownership is conducted in accordance with instructions outlined in Maj Invest Code of Ethics and Conflict of Interest Policy and underlying procedures.

2. Expectations and objectives for engagement and voting activities

- 2.1 Maj Invest undertakes engagement and voting activities with the aim to align long-term value creation for shareholders by addressing relevant ESG risks, governance structures, sustainable practices, and transparency and disclosure on ESG matters.

3. Engagement

- 3.1 Maj Invest participates on behalf of clients in engagement processes through two approaches: For some clients, Maj Invest combines direct engagement with engagement facilitated through partnerships with third-party data providers. For other clients,



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engagement is conducted exclusively through third-party data providers. The objectives of Maj Invest's engagement activities are to mitigate ESG-related risks that may affect financial returns and address sustainability issues across all Principal Adverse Impacts (PAIs) effectively, ensuring that minimum standards for good governance are upheld.

Direct engagement

- 3.2 Direct engagement is typically initiated when Maj Invest identify companies exposed to significant ESG-related risks that could impact long-term financial returns. These risks are identified using third-party data, such as Sustainalytics' ESG Risk Ratings, which flag companies with high exposure to or poor management of issues such as climate change, human rights, biodiversity, and governance challenges.
- 3.3 Progress on direct engagements is monitored through an engagement log, which is updated quarterly and shared with clients. This log includes identified concerns and outlines follow-up actions if the engagement does not lead to the desired changes. Escalation measures may include additional meetings with executive management or board members, voting against company recommendations at annual meetings, or, as a last resort, divesting from the company.
- 3.4 Engagement activities may involve letters to portfolio companies' management, email correspondence, in-person and virtual meetings, and, in rare cases, site visits. These engagements typically involve company representatives, including board members, the chairman, the CEO, ESG managers, and/or investor relations personnel.

Engagement through third-party data provider

- 3.5 Engagement through third-party data providers is incident driven. Maj Invest collaborates with third-party provider, Sustainalytics, whose specialists possess extensive expertise in handling such engagements. These engagements are triggered by incidents where companies have breached or are at risk of breaching international norms. The objective is to encourage companies to address and resolve these incidents in ways that improve their ESG performance and risk management, strengthen good governance practices, and prevent future issues.
- 3.6 Sustainalytics monitors engagement progress using various indicators, such as "Progress," "Response," "Performance," and "Milestones." For each engagement case, a structured strategy is developed, including a primary change objective broken down into interim steps to guide a step-by-step dialogue with the company. Engagement



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tools include emails, letters, calls, and in-person or virtual meetings with management, the board, or other company representatives.

- 3.7 If the engagement process does not result in changes within approximately two years, the company is placed on Sustainalytics' disengagement list. The consequence hereof, will most likely be, that Maj Invest will divest from the investment.

4. Voting

General approach

- 4.1 The exercise of voting rights is a part of Maj Invest's active ownership on behalf of clients, guided by the aim of securing the best possible long-term returns for clients. The approach to voting is tailored to each client's specific legal, governance, or strategic requirements, as defined in their agreements with Maj Invest.
- 4.2 As a starting point, Maj Invest makes investments for clients as an asset manager and as portfolio investments and not investment acquisitions 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 to achieve control of the portfolio companies.
- 4.3 As a general rule, the agreement between Maj Invest and the client will specify one of three approaches to voting: a **non-voting approach**, a **voting approach** (which may include proxy voting or a case-by-case approach), or a **consultative approach** where Maj Invest provides advice on specific voting matters upon request. If no specific agreement regarding voting has been made, clients or their management companies may seek advice from Maj Invest before exercising voting rights. Tailored arrangements can also be agreed upon for individual clients, ensuring alignment with their needs and preferences.
- 4.4 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.
- 4.5 Decisions on whether to exercise voting rights in a portfolio company are always made in accordance with the client agreement, taking into account the relevant circumstances and ensuring that the action is in the client's best interests. When proxy voting



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is involved, specific voting instructions may be established and communicated for each strategy to maintain consistency with the client's objectives.

- 4.6 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. Maj Invest conducts all voting activities exclusively through proxy voting and does not participate in voting in person.

5. Proxy voting

- 5.1 When casting votes, Maj Invest carefully evaluate a range of factors, including the resolution's alignment with corporate governance best practices, environmental sustainability, social responsibility, and its relevance to clients' investment objectives. Voting decisions are informed by a combination of insights from proxy voting advisors and internal research, ensuring consistency with this policy.
- 5.2 Maj Invest uses either ISS Socially Responsible Investment (ISS SRI) guidelines or ISS United States Public Fund Recommendations (Public Fund Policy)¹ to guide voting decisions. ISS SRI emphasizes critical ESG factors, such as climate change, human rights, labor practices, board diversity, executive accountability, and shareholder rights. It provides a framework for evaluating resolutions on these issues, ensuring that voting decisions are consistent with the best global practices and aligned with recognized international standards, such as the United Nations Principles for Responsible Investment (PRI). ISS SRI also considers region-specific governance practices, enabling a globally consistent approach while accounting for local market nuances.
- 5.3 While these guidelines and recommendations are informative, Maj Invest also independently assesses each voting decision to account for the specific circumstances of the portfolio company and prioritize the best interests of our clients. Members of the investment team will review recommendations in instances where there is a discrepancy between the voting recommendations of the Third-Party Service Provider and the portfolio company's management and make the final decision. This review will also apply to voting agendas that are significant and materially impactful to the investment

¹ Maj Invest is transitioning from Public Fund Policy to ISS SRI as the primary suggestion for clients. In a period both may be used.



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value of the relevant security, such as non-routine items with a clear potential for positive or negative effects on the client's portfolio.

6. Prioritization of voting activities

- 6.1 In certain cases, Maj Invest may determine that exercising voting rights could significantly impact the returns on an investment, aligning with the client's investment goals and strategy. Voting rights can sometimes serve as an alternative to divesting ownership interests or securities in a portfolio company. When recommending the exercise of voting rights, Maj Invest may apply a proportional approach, considering the client's ownership stake in the portfolio company.
- 6.2 Resolutions with a material impact on portfolio companies' performance or those addressing key ESG risks and opportunities are given high priority to ensure alignment with our clients' investment objectives and responsible investment and active ownership in general.
- 6.3 While Maj Invest strives to participate in all eligible votes, there are circumstances where Maj Invest may choose not to vote on behalf of the client. This may occur in cases where abstaining is used to signal a specific stance or when there is insufficient information or communication to make an informed decision – or costs related to local voting requirements are not proportional with the investment objectives.

7. Reporting and Transparency

- 7.1 Maj Invest is committed to maintaining transparency in voting activities. Maj Invest ensures that voting records are accurately maintained and made available to stakeholders upon request or as part of reporting to clients.
- 7.2 Maj Invest's voting reports provide detailed insights into the decisions made, including the resolutions voted on, the rationale behind voting decisions, and instances where votes differed from management recommendations or proxy advisor guidelines. By providing this information, Maj Invest aims to give clients and stakeholders a clear understanding of how voting aligns with investment objectives and overall policy agreed for the client.



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8. INFRINGEMENT AND REVISION

- 8.1 If this policy is infringed, the Executive Board must notify (i) the Board of Directors by no later than the next meeting of the Board of Directors, and furthermore (ii) the Chairman of the Board of Directors without undue delay, unless a shorter deadline is specified in the policy or in legislation. In collaboration with the Board of Directors and without undue delay, the Executive Board must take the measures necessary to ensure that the policy is complied with once again.
- 8.2 This policy must be kept updated because of legislative amendments, guidelines from the Danish FSA or other conditions that make updating necessary.
- 8.3 The policy is revised annually by Maj Invest's Executive Board, or as required, including any significant changes in the underlying assumptions, and is approved by Maj Invest's Board of Directors.
- 8.4 The Executive Board is responsible for ensuring that the current policy at any time is available to the company's employees. Employees for whom the policy may be relevant in their day-to-day work must in principle accept that they are bound by the policy (e.g. in instructions or as an email receipt), and, in the event of less formal changes, to receive notification thereof by email.

9. ENTRY INTO FORCE

- 9.1 This Policy will enter into force at the end of March 2025 upon its approval and signing by the Board of Directors at the Board Meeting March 4, 2025.

Approved by the board on March 4, 2025

Bestyrelsesformand

Henrik Parkhøi

Bestyrelsesmedlem

Gitte Lillelund Bech

Bestyrelsesmedlem

Karsten Dybvad



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