

Policy for Active Ownership

December 2021

This document is a translation of the Danish policy for Active Ownership.

In case of any reasonable doubt, the authentic Danish text shall prevail

1. Introduction

1.1 This Active Ownership and Voting Policy ("Policy for Active Ownership") is applicable to Formuepleje A/S and relates to the management of investment funds and alternative investment funds (hereinafter "Funds"). Policy for Active Ownership is also endorsed by the Board of Directors of the Funds.

1.2 At Formuepleje, we want to take social responsibility and contribute to a more sustainable global development. One way we do this is by influencing the companies we invest in. We consider active ownership to be a natural part of active asset management, as it allows us to influence and reduce specific investment risks and to influence companies in a direction that promotes sustainable development. Compliance with the Policy for Active Ownership is also a direct obligation as a responsible investor.

2. Purpose of the policy

2.1 The purpose of the Policy for Active Ownership is to describe how Formuepleje exercises active ownership – both indirectly in the form of dialogue with companies (engagement) and directly in the form of voting at company general meetings.

3. Integrating active ownership into the investment process

3.1 Active ownership is a natural part of the investment process at Formuepleje. Active ownership can help reduce investment risks and thereby improve long-term risk-adjusted returns.

3.2 For those companies where there are suspected breaches of international standards or inadequate management of ESG risks, or where other issues violate Formuepleje's principles and guidelines for responsible investment, active ownership is a prerequisite for maintaining the position.

3.3 Formuepleje expects all asset managers (both internal and external) who advise on investment decisions to monitor the individual companies and be in dialogue with the companies' management as needed. Each asset manager decides which cases to get involved in, based on a principle of proportionality in relation to the seriousness of the case and its importance for the Company. The involvement of the asset manager and their attempts to influence the companies, i.e. engagement, are included as a parameter in the annual assessment of asset managers.

4. Engagement

4.1 Through an external actor, Formuepleje actively works with other investors to influence companies where there are suspected violations of international standards. Formuepleje receives regular reports on developments in individual cases, and on whether there is still a prospect of a solution being reached. This will be an important input into the evaluation of whether to continue investing in the companies. As a rule, Formuepleje considers supporting companies which are moving in the right direction in terms of ESG matters more effective than divestment.

5. Voting

- 5.1 The ESG Committee is responsible for applying Formuepleje's voting rights at the relevant general meetings. Voting will be based on internal guidelines established in the light of the Policy for Responsible Investment, the Policy for Active Ownership and the Policy for the management of conflicts of interest, as well as on any instructions from the Investment Committee.
- 5.2 Formuepleje has contracted with an external proxy voting provider that, in addition to providing practical assistance with voting, monitors the companies in the portfolios for relevant votes. Formuepleje can draw on advice from the external asset managers regarding voting, and has also contracted research and recommendations on individual votes with external third parties.
- 5.3 Formuepleje itself decides whether and what to vote at all times.
- 5.4 Formuepleje will only exercise its voting rights on behalf of sub-funds of the Funds when it is in the best interests of investors, which may include both enhancing return opportunities and meeting relevant ESG objectives.
- 5.5 In rare cases, Formuepleje may choose not to exercise its voting rights if the vote does not have an impact on the Company's financial position or ESG risk. Similarly, Formuepleje may choose not to cast its vote if the total voting rights held constitute only a negligible share of the total voting rights.

6. Managing conflicts of interest

- 6.1 Before each vote, an assessment is made to determine whether there are actual or potential conflicts of interest in relation to the active ownership. In rare cases where a conflict of interest is identified, the interests of the voting Fund are always considered.
- 6.2 Formuepleje will manage any conflicts of interest that may arise from the Policy for Active Ownership, in accordance with Formuepleje's Policy for the management of conflicts of interest, which can be found on the website, www.formuepleje.dk.

7. Publishing and reporting

- 7.1 This Policy for Active Ownership is publicly available and can be accessed at www.formuepleje.dk. Reporting is done annually through the annual report for the Funds and through a separate annual report for active ownership.
- 7.2 The Policy for Responsible Investment can be found on the website www.formuepleje.dk. The Policy for Responsible Investment is also reported to the PRI, where the report is available here: <https://formuepleje.dk/investering/ansvarlige-investeringer/>

8. Approval and review of the policy

8.1 The Board of Directors of Formuepleje shall review and approve the Policy for Active Ownership on an ongoing basis, and at least annually, and it shall also be endorsed by the Board of Directors of the Funds.

9. Effective date

The Policy for Active Ownership will enter into force on 23 December 2021.