



XI. Engagement and Proxy Voting Policy of the C WorldWide Group

This engagement and proxy voting policy applies to the affiliates of the C WorldWide Group listed in Annex A.

This policy applies to the group's investments in listed companies on behalf of clients and investors in funds managed by the group. This policy applies to proxy voting where authorisation to exercise voting rights is provided by clients or investors.

This policy complies with article 3g of Directive (EU) 2017/828 as regards to the encouragement of long-term shareholder engagement and Rule 206(4)-6 under the U.S. Investment Advisers Act of 1940 and relevant SEC and SEC Staff Guidance.

Fiduciary Responsibilities

We have a fiduciary responsibility to our clients and investors to act in their best interests. We generally believe that it is in the best interest of our clients and investors to invest in companies that are committed to generating long-term sustainable returns for its shareholders and where we can further enhance this long-term value creation through active ownership.

Consistent with our fiduciary duty, we have written policies and procedures for proxy voting, agree voting parameters with clients, identify and disclose conflicts of interest in the proxy voting process and have clear means to address (mitigate) these. We consider all relevant information and material risks in investment analysis and the proxy decision making and voting process, monitor activities and review these activities not less than annually to ensure that they are adequate and effective.

As active long-term investors, active ownership is an integral part of our investment process. It is anchored directly with our portfolio management teams and is fully integrated in our investment processes including research, stock selection and portfolio construction as well as risk management. This is consistent with our fiduciary duty to consider all relevant information and material risks in investment analysis and the portfolio decision making process.

Our active ownership practices include:

- Direct engagement with investee companies
- Collective engagements through external service provider
- Proxy voting

Direct Engagement

Direct Engagement with investee companies is anchored with and implemented by the portfolio management teams directly and is fully integrated in our overall investment process. This approach is core to our stewardship responsibilities since we firmly believe it enhances the quality of engagement and ensures that material factors are carefully considered.



Because of this direct portfolio manager commitment, engagement efforts do not begin or end with the purchase of a company's stock. Our engagement with investee companies is continuous, meaning that our approach and corporate dialogue is longer-term, supported by ongoing monitoring.

The decision to engage an investee company in relation to a specific matter and the method of engagement is made based on a proportionality consideration of a number of factors, including but not limited to:

- size of the shareholding in the investee company, and thereby the potential impact to influence change
- materiality of the matter
- reliability of data
- possibility of effecting the behaviour of the investee company
- resources required to conduct any direct engagement.

We engage with management, other executive staff, heads of divisions, and board members of investee the companies either directly through meetings, calls or written communication.

One of the objectives of engagement is to identify sustainability factors as well as sustainability risks and opportunities relating to investee companies.

Collective Engagement

In addition to our direct engagements, we engage collectively with other investors through a third-party engagement service provider with global coverage. This approach gives us access to highly qualified specialists with a strong knowledge and a network that can be leveraged in the ongoing engagement with the investee companies on key issues, including ESG issues such as human rights, labour rights, environmental issues, and business ethics. Collective engagements are typically initiated based on incidents, meaning the investee company has breached or has good indication of being about to breach international norms or conventions. In special cases we will also communicate or cooperate directly with other stakeholders in the investee companies to engage collectively.

Both direct and collective engagements with investee companies are documented to ensure that we comply fully with applicable laws, rules and regulations.

Proxy Voting

We monitor all general meetings of investee companies and exercise voting rights in investee companies.

We exercise voting rights in accordance with agreed parameters. In general, and in a manner to discharge our fiduciary duties and avoid or address properly conflicts of interest, we will vote in favour of proposals which we believe will benefit long-term sustainable returns to shareholders. Alternatively, we will vote against proposals that in our opinion will reduce long-term shareholder value.



Our votes are generally aligned across the various strategies we manage. In case of discrepancies between the views of two or more portfolio management teams on how to vote on a proposal, the issue will be discussed, and a final unanimous voting decision will be agreed by the relevant portfolio management teams. If the investors in the relevant strategies have different interests in the proposal the voting decisions shall be made by each portfolio management team in the best interest of the investors of the strategy managed by such portfolio management team.

Before an agreement is reached with a client, we will ensure that we have a reasonable understanding of the client's objectives, that such objectives are documented and that the voting parameters set out in this Active Ownership Policy are in accordance with such objectives and have been agreed to by the client. If a client gives us specific instructions on a proxy, we will follow them.

In order to improve the quality and the breadth of our voting decisions, we have partnered with a leading proxy voting service provider with global coverage. In practice this means that we receive notice of all ballots in the investee companies, as well as research and voting recommendations reflecting our voting policy from the proxy voting service provider. We utilise proxy voting to emphasise the topics discussed with the investee companies in our ongoing engagement with them and to vote on key issues important to the governance of the investee companies.

Our key focus areas for voting include but are not limited to:

- minority shareholder items
- remuneration structures
- increased disclosure and transparency
- sustainability related topics

Our proxy voting procedures incorporate the recommendations received from the proxy voting service provider. The recommendations are based on a proxy voting policy established by the proxy voting service provider that emphasises sustainability aspects. This policy has been chosen by us based on our proxy voting policies. We will as a general rule vote in line with these recommendations. However, the portfolio managers may occasionally disagree with the voting recommendations if they are not aligned with the portfolio managers' in-depth knowledge of an investee company and its management.

In addition to input from our proxy voting provider, our voting decisions incorporate our own company analysis and research, external sell-side research and analytical input from our external engagement research service provider.

In addition to exercising voting rights, we exercise other rights attached to shares in investee companies in the best interest of our clients and investors.

Information on how we voted with respect to the securities of a client is made available to such clients by request.



Monitoring

Investee companies are continuously monitored on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, environmental and social impact, as well as corporate governance (ESG) and voting outcomes. Monitoring allows us to track progress in investee companies and assess companies within and across sectors and to ensure that these policies and procedures are being followed.

Escalation Process

In certain cases, we may experience that our engagement efforts do not result in the required progress or changes that was the engagement objective. In such cases, voting is an escalation method to indicate to the investee company the direction, we would like to see. If we for a longer period of time continue to experience resistance from the investee company, we may decide to divest. However, divestment is seen as a last resort as we would rather engage with the objective to make progress than leave the investee company.

Conflicts of Interests

Conflicts of interest may potentially occur in relation to our investments in investee companies owned or managed by our stakeholders (shareholders, members of management etc.). In order to manage such potential conflicts, there is no involvement of such stakeholders in our investment processes, and we do not invest in IPOs initiated by our shareholders.

If investors in two or more strategies have different interests in a proposal in an investee company the voting decisions shall be made by each portfolio management team in the best interest of the investors of the strategy managed by such portfolio management team.

We disclose conflicts of interests that cannot be avoided and entail a risk to a client or investor and the steps taken to mitigate those risks.

Public disclosure

On an annual basis, we publicly disclose on our website how the Engagement and Proxy Voting Policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and the use of the services of proxy advisors. The annual disclosure includes information on significant engagements and how we have cast votes in the general meetings of investee companies. Such disclosure may exclude votes that are insignificant due to the subject matter of the vote or the size of the holding in the investee company.



Application, Monitoring and Review of Policy

We monitor proxy activity to ensure that this policy and our proxy voting procedures are being followed.

This policy applies as of 1 September 2022 and is reviewed as a minimum on an annual basis.

As adopted by the Board of Directors on 1 September 2022.



Annex A

- C WorldWide Asset Management Fondsmæglerselskab A/S
- C WorldWide Fund Management S.A.