

Engagement & Voting Policy of Universal-Investment-Luxembourg S.A.

Voting guidelines

As a 100% subsidiary of Universal-Investment-Gesellschaft mbH, Frankfurt am Main – the largest independent investment firm in the German-speaking world – Universal-Investment-Luxembourg S.A. successfully manages capital investments for its investors, including many investments for private and occupational pension plans. In order to protect the interests of the investors and meet the associated responsibility, Universal-Investment-Luxembourg S.A. exercises the shareholder and creditor rights associated with the managed investment funds in the interests of investors and for good corporate governance.

Universal-Investment-Luxembourg S.A. votes on shares that are traded on a regulated market within the EU/EEA. For foreign assets in this context, the voting rights are only exercised in those cases where it is actually justified, taking into account any disproportionately high expense (e.g. costs arising from notarial certification or legalisation).

The following principles form the basis of our voting guidelines:

- Every decision is based solely on the investors' interests and the benefits of the respective investment fund.
- Decisions on exercising voting rights are made independently of the interests of third parties.
- The integrity of the markets should be preserved in any case.

The basis of voting policy and the exercise of voting rights is provided by the Universal-Investment-Luxembourg S.A. "Guidelines on exercising voting rights". The voting behaviour of Universal-Investment-Luxembourg S.A. is specified in the following guidelines for exercising voting rights and is carried out on the basis of the information available to UIL.

Annual report & auditor

The company's business or annual report should be published regularly and be transparent in order to give shareholders an overview of the company's financial situation.

When appointing the auditor, the following criteria should be observed:

- Independence of the auditing firm and the responsible auditor
- The appointment is for up to a maximum of five years
- Appropriate and transparent remuneration
- If the auditor has an advisory role at the company, this must be reported. The consultancy fees must not be disproportionately higher than the audit costs and should be shown separately.

Board of Directors & Supervisory Board

The existence of the officers of a company should enable there to be a healthy corporate policy. Here, emphasis is placed on a clear definition and separation of responsibilities.

The following are regarded as critical:

- Insufficient qualification and diversity
- Lack of majority independence of the shareholder representatives in the committees
- The same person occupying different strategic roles
- The direct transfer of members of the Board of Directors to the Supervisory Board
- Lack of adequate compensation system. Remuneration and severance payments should be performance-based, proportionate and transparent. Their amount is to be based on the long-term success of the company.

Corporate actions

Capital increases and share buybacks are in the interests of the shareholder if they increase the long-term success of the company. The company's financing strategy must be considered here.

A capital increase is considered positive if:

- it serves to achieve a clear, long-term increase in the company's earnings potential
- it is clearly justified and considers the company's long-term strategy with regard to the corporate action
- it is carried out using subscription rights that can be traded on the stock exchange

In the case of share buybacks, please note that:

- the principle of equal treatment applies. Special benefits for individual shareholders are viewed as critical.
- the buyback is clearly justified
- the price of a share does not exceed the market price by 10%
- Repurchase volume (the critical limit is 10%) and the economic situation of the company

Appropriation of earnings

A dividend payment should be reasonable and consistent with the company's financial results. Under special conditions, payment of the dividend from the company's assets may be approved.

Mergers & acquisitions

Mergers and acquisitions should be aligned with the company's long-term strategy. The purchase price offered must correspond with the sustainable company value.

Shareholder rights

Each individual voting share should in principle have equal voting rights (on the "one share - one vote" principle). Measures that lead to erosion of shareholder rights must be viewed critically.

Corporate governance code and best practice

In principle, country-specific corporate governance factors are decisive for the treatment and analysis of the documents presented at general meetings.

Corporate governance issues that are not expressly mentioned in the preceding points should be checked and classified using best practice in the market (e.g. OECD principles).

The company should have formulated and published a diversity policy. Regular reports are to be provided on this policy.

These guidelines on exercising voting rights form the basis for the responsible management of capital and the rights of investors. Furthermore, they are to the benefit of the investment funds managed by Universal-Investment-Luxembourg S.A. and are therefore generally applied to all investment funds, unless in a specific case of an individual investment fund it is necessary to deviate from these voting guidelines in the interests of the investors, the integrity of the market and for the benefit of the relevant investment fund.

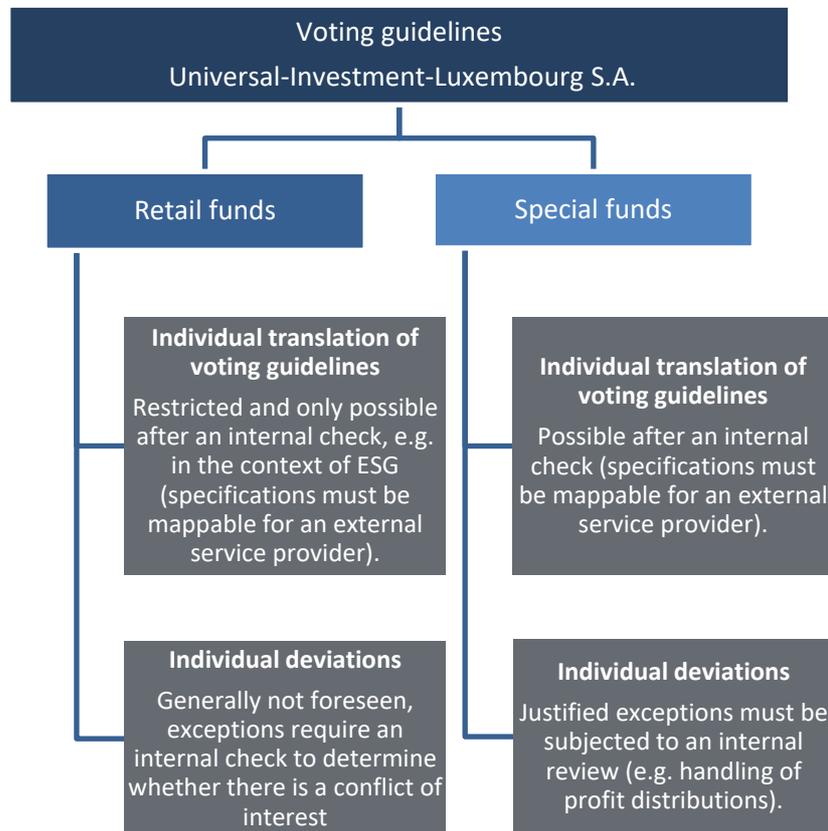
Voting rights are exercised by Universal-Investment-Luxembourg S.A. or the service providers commissioned by it on the basis of the voting guidelines specified by Universal-Investment-Luxembourg S.A. These are based on the criteria of a transparent and sustainable corporate governance policy, and compliance with them also serves to avoid conflicts of interest that may arise through third parties/the commissioning of third parties, or through possible interests of Universal-Investment-Luxembourg S.A.

Universal-Investment-Luxembourg S.A. analyses any conflicts of interest that arise and takes measures to resolve them. Universal-Investment-Luxembourg S.A. makes such measures transparent and documents the resolution of the actual conflicts of interest.

To prevent possible conflicts of interest and, if necessary, to resolve them, measures such as the following are taken:

- Ensuring there is a separation of functions and duties as well as the associated establishment of an internal control system in implementation of the requirements from section 5.5.7 of CSSF Circular 18/698.
- Establishment of confidentiality areas (so-called "Chinese Walls")
- Universal-Investment-Luxembourg S.A. discloses the general nature and origin of conflicts of interest vis-à-vis clients, insofar as the measures taken are not sufficient to reasonably avoid the risk of damaging client interests.

In addition to these general measures to prevent potential and actual conflicts of interest, voting rights are specifically exercised according to the following decision tree:



Should a conflict of interest arise as a result of a deviation from the general voting guidelines, Universal-Investment-Luxembourg S.A. will resolve this in the best interests of the investor. In situations in which Universal-Investment-Luxembourg S.A. has a business relationship with the issuer in question, there is no deviation from the voting guidelines of Universal-Investment-Luxembourg S.A.

In the case of a securities loan, there is an obligation to terminate the securities loan promptly enough to allow the voting rights associated with the loaned securities to be exercised. If it is in the interests of the investors in a specialised AIF to forego the exercise of their voting rights in favour of the income from securities lending, Universal-Investment-Luxembourg S.A. will comply with these interests.

Universal-Investment-Luxembourg S.A. will provide investors free of charge with details of the measures taken in their investment funds on the basis of these voting guidelines upon request.

Other Engagement Policy in accordance with Article 1sexies of Luxembourg 1 August 2019 Law

The monitoring of important matters concerning the portfolio companies – entities within the meaning of Art. 1sexies of the Luxembourg Law of 1 August 2019, in which the fund invests and for which the voting rights are exercised – is the responsibility of the external portfolio manager who is contractually responsible for the careful selection, acquisition and monitoring of assets for the account of the investment fund. Otherwise such monitoring needs to be included in the recommendations provided by an external investment advisor. Whether and how an external partner carries out such analyses depends largely on the investment strategy of each individual investment fund. It is also part of the task of external portfolio management to evaluate the results of general meetings and draw appropriate conclusions for the portfolio. Investment advisers can incorporate the results of general meetings into their investment recommendations. The qualified investment decision based on the recommendation of the investment adviser is made by Universal-Investment-Luxembourg S.A.

For business policy reasons Universal-Investment-Luxembourg S.A. does not conduct a corporate dialogue itself and does not work with other shareholders. If, in individual cases, it is nevertheless in the best interests of investors to actively exchange views with the corporate bodies and stakeholders of a portfolio company, Universal-Investment-Luxembourg S.A. may use the services of third parties through the contractual relationship.