

Participation Policy of UI BVK Kapitalverwaltungsgesellschaft mbH

1. Exercise of shareholder rights

UI BVK Kapitalverwaltungsgesellschaft mbH (UBK) exercises the shareholder rights associated with the shareholdings held for the account of the managed investment assets in the interests of the investors and good corporate governance.

In principle, UBK exercises the voting rights from shares that are listed on a stock exchange. The prerequisite is that no country-specific restrictions or unreasonably high costs in relation to the voting rights, e.g. due to notarial certification, stand in the way of exercising voting rights. The following principles form the basis of our voting guidelines:

- The basis for every decision is exclusively the investor's interest and the benefit for the respective investment fund.
- Decisions on the exercise of voting rights are made independently of the interests of third parties.
- The integrity of the markets shall be preserved in any case.

UBK's voting policy and exercise of voting rights in Germany is based on the "Analysis Guidelines for General Meetings" developed by the Bundesverband Investment und Asset Management e. V. (BVI). This industry standard is considered the basis for responsible handling of capital and the rights of investors. When reconciling abroad, UBK consults the respective country-specific Glass Lewis Guideline, which takes into account the local framework conditions. In addition, the Glass Lewis Guidelines "Environmental, Social & Governance ("ESG") Initiatives" are applied to the specific country guideline and are given priority.

These voting guidelines take into account the benefits of the investment assets managed by UBK and are therefore generally applied to all investment assets.

Voting rights are exercised by UBK, which has appointed BMO Asset Management Limited (BMO) as its appointed service provider. Voting rights are exercised on the basis of the voting guidelines provided by UBK, which are part of the service agreement with BMO. These are based on the criteria of a transparent and sustainable corporate governance policy (ESG) as well as other criteria from the environmental (ESG) and social (ESG) areas, which are aimed at the long-term success of the companies held by the investment funds (so-called portfolio companies). Compliance with the voting guidelines also serves to avoid conflicts of interest that could potentially arise through third parties, the commissioning of third parties or through interests of UBK.

2. Voting Guidelines domestic

Annual Report & Auditors

The annual or annual report of the portfolio company should be published regularly and be transparent in order to provide shareholders with an overview of the financial situation of the company.

When appointing the auditor, attention should be paid to the following criteria:

- Independence of the auditing company and the responsible auditor;
- the appointment period shall not exceed five years
- appropriate and transparent remuneration; if the auditor has a consulting relationship with the company, this must be disclosed. The consultancy fees may not be disproportionately higher than the audit fees and shall be disclosed separately.

Executive board & supervisory board

The structure of the executive bodies of a portfolio company shall allow for a sound corporate policy. In this respect, emphasis is placed on a clear definition and separation of responsibilities.

The following are considered critical:

- No sufficient qualification and adequate diversity;
- No majority independence of shareholder representatives on the boards;
- No age limit for supervisory board members;
- No D&O insurance with deductible for supervisory board members;
- Personal union of strategic positions;
- Direct transfer of board members to the supervisory board;
- No appropriate remuneration system. Remuneration and severance payments should be performance-based, proportionate and transparent. Their amount should be aligned with the long-term success of the company. In addition, the remuneration policy should be voted on regularly (at least every 4 years).

Corporate Actions

Capital increases and share buybacks are in the interest of the shareholder if they increase the long-term success of the portfolio company. In this context, the financing strategy of the portfolio company must be considered.

A capital increase is considered positive if

- It serves to clearly increase the company's earnings opportunities in the long term.
- It is clearly justified and explains and supports the company's long-term strategy with regard to the corporate action.
- It is carried out by means of exchange-transferable subscription rights.

In the case of share buybacks, it should be noted that the

- the principle of equal treatment applies. Special advantages for individual shareholders are considered critical.
- The buyback is clearly justified.
- The price of a share does not exceed the market price by ten percent.
- The buyback volume (the critical limit is 10 %) and the economic situation of the company match.

Appropriation of profits

A dividend payment should be appropriate and in line with the financial performance of the portfolio company. Under special circumstances, a dividend payment from the substance may be approved.

Mergers and Acquisitions

Mergers and acquisitions should be in line with the long-term strategy of the portfolio company. The purchase price offered must correspond to the sustainable enterprise value.

Shareholder rights

Each individual voting share should in principle carry the same voting rights ("one share - one vote" principle). Measures that lead to a deterioration of shareholder rights should be viewed critically.

Corporate Governance Code and Best Practice

In principle, country-specific corporate governance issues are decisive for the consideration and analysis of AGM proposals.

Corporate governance issues that are not explicitly mentioned in the previous points should be reviewed and classified against market best practice (e.g. OECD principles).

The portfolio company should have formulated and published a diversity policy. Regular reports should be made on its progress.

3. Voting Guidelines abroad

The application of the Glass Lewis Guidelines "Environmental, Social & Governance ("ESG") Initiatives" ensures that voting is country-specific and based on the criteria of a transparent and sustainable corporate governance policy (ESG) as well as other environmental (ESG) and social (ESG) criteria aimed at the long-term success of the companies held by the investment assets (so-called portfolio companies).

4. Dealing with conflicts of interest and securities lending

UBK analyses any conflicts of interest that arise and implements measures to resolve them. UBK makes these measures transparent to the investor and documents the resolution of the actual conflicts of interest.

UBK has implemented the following measures to prevent possible conflicts of interest and, if necessary, to resolve them:

- Ensuring a separation of functions and duties as well as the associated establishment of an internal control system in implementation of the requirements from the Minimum Requirements for Risk Management of Capital Management Companies (KAMaRisk).
- Establishment of confidentiality areas (so-called "Chinese walls").
- Disclosure of the general nature and origin of conflicts of interest to clients to the extent that the measures taken are not sufficient to reasonably avoid the risk of client interests being prejudiced.

5. Voting Guidelines UBK

If a possible conflict of interest arises from a deviation from UBK's general voting guidelines, UBK will resolve it in the best interests of investors. In constellations in which

UBK has a business relationship with the issuer/portfolio company in question, there is no deviation from UBK's voting guidelines.

Where securities holdings have been lent to other market participants, there is an obligation to terminate the securities lending in good time so that the voting rights attached to the securities lent can be exercised by UBK. If it is in the interest of the investors of a special AIF to forego the exercise of voting rights in favour of the income from the securities lending, UBK shall comply with this interest.

UBK shall provide investors in special AIFs with details of the measures taken in its investment fund on the basis of these voting guidelines free of charge upon request. Independently of this, UBK reports annually on its website on voting behaviour in general, on the most important votes and on the use of voting advisors as well as on specific voting behaviour.

6. Participation Policy according to § 134b para. 1 AktG

The monitoring of important matters of the companies held by respective investment funds (so-called portfolio companies) is the responsibility of the external portfolio manager, who is contractually obliged to exercise due care in the selection, acquisition and monitoring of assets for the account of the investment fund. Whether and how an external partner carries out corresponding analyses depends largely on the investment strategy of each individual investment fund. 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 the external portfolio management to evaluate the results of general meetings and to draw appropriate conclusions for the portfolio. Investment advisors can incorporate the results of general meetings into their investment recommendations. The qualified investment decision based on the recommendation of the investment advisor is made by UBK.

For reasons of business policy, UBK itself does not practise corporate dialogue and does not cooperate with other shareholders. If, in individual cases, it is nevertheless in the best interest of investors to conduct an active exchange of opinions with the corporate bodies and stakeholders of a portfolio company, UBK will make use of the services of BMO through its existing contractual relationship with BMO.

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