

Universal-Investment-Gesellschaft mbH Participation Policy

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1. Exercising shareholder rights

As the largest independent investment management company among German-speaking countries, Universal Investment successfully manages capital investments for investors, including many investments for private and company pension schemes. To safeguard investors' interests and fulfil the associated responsibility, Universal Investment exercises the shareholder rights associated with the stock portfolio held on behalf of the managed investment funds for the benefit of investors and to promote good corporate governance.

As a rule, Universal Investment exercises the voting rights from listed shares unless there are country-specific restrictions or excessively high costs, e.g. notarial certification, which prevent Universal Investment from doing so. These also include the requirement to be physically present at the general meeting and the inability to engage in split voting, where a beneficial owner can vote differently for one agenda item, e.g. agree with 500 shares and abstain with 500 shares.

Our voting guidelines are based on the following principles:

- every decision is based solely on investors' interests and the benefits for the investment fund in question;
- decisions about exercising voting rights are made independently of third-party interests;
- the integrity of the markets should always be preserved.

Universal Investment's voting policy and its exercise of voting rights are based on the "Analysis Guidelines for Shareholder Meetings", drawn up by the Bundesverband Investment und Asset Management e.V. (BVI). This industry standard is considered to be the basis for the responsible handling of capital and investor rights. These voting guidelines take account of the benefits for the investment funds managed by Universal Investment. As such, they apply generally to all investment funds unless it is appropriate in a specific case for an investment fund to deviate from them for its benefit and in the interests of its investors and the integrity of the market.

Universal Investment or service providers contracted by it exercise voting rights on the basis of the voting guidelines specified by Universal Investment. These guidelines are based on the criteria of a transparent and sustainable corporate governance policy (ESG) and other environmental (ESG) and social (ESG) criteria focused on the long-term performance of the companies held by the investment funds ("portfolio companies"). Following the voting guidelines also avoids conflicts of interest that may arise due to third parties, the contracting of third parties or the interests of Universal Investment.

2. Voting guidelines

Annual report & auditor

The portfolio company's financial 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 followed:

- independence of the auditing firm and the auditor responsible;
- a maximum five-year contract;
- appropriate and transparent fees;
- reporting of any consulting work the auditor carries out for the company. The consulting fees must not be disproportionately higher than the audit costs and should be reported separately.

Board of directors & supervisory board

The structure of a portfolio company's governance bodies should promote sound corporate policy, with emphasis on a clear definition and separation of responsibilities.

A critical view is taken of the following:

- insufficient qualifications and lack of diversity;
- no majority independence of shareholder representatives on the committees;
- no age limit for supervisory board members;
- no D&O liability insurance with excess for supervisory board members;
- strategic roles held by the same people;
- direct transfer of board members to the supervisory board;
- inadequate remuneration system. Remuneration and severance payments should be performance-based, proportionate, transparent and based on the company's long-term performance. The remuneration policy should also be voted on regularly (at least every four years).

Corporate actions

Capital increases and share buybacks are in shareholders' interests if they boost the portfolio company's long-term performance in consideration of the portfolio company's financing strategy.

A capital increase is considered positive if

- it clearly boosts the company's growth potential over the long term;
- it is clearly justified and illustrates and promotes the company's long-term strategy with regard to the corporate action;
- it is carried out using transferable subscription rights.

For share buybacks:

- the principle of equal treatment applies. A critical view is taken of any special benefits for individual shareholders;
- the buyback has to be clearly justified;
- the price of a share must be no more than 10% higher than the market price;
- the buyback volume (critical limit = 10%) and the company's financial standing must be compatible.

Appropriation of income

Dividend payments should be reasonable and consistent with the portfolio company's financial performance. Under special conditions, payment of the dividend from the material assets may be approved.

Mergers and acquisitions

Mergers and acquisitions should be consistent with the portfolio company's long-term strategy. The purchase price offered has to correlate with the long-term company value.

Shareholder rights

As a rule, every individual voting share should have the same voting rights (one share, one vote). A critical view is taken of any measures that dilute shareholder rights.

Corporate Governance Code and Best Practice

Generally speaking, country-specific corporate governance issues are decisive when considering and analysing the submissions for the general meeting.

Any corporate governance issues not expressly mentioned in the points above should be reviewed and classified using best market practice (e.g. OECD principles).

The portfolio company should have drawn up and published a diversity policy, with regular reports on its progress.

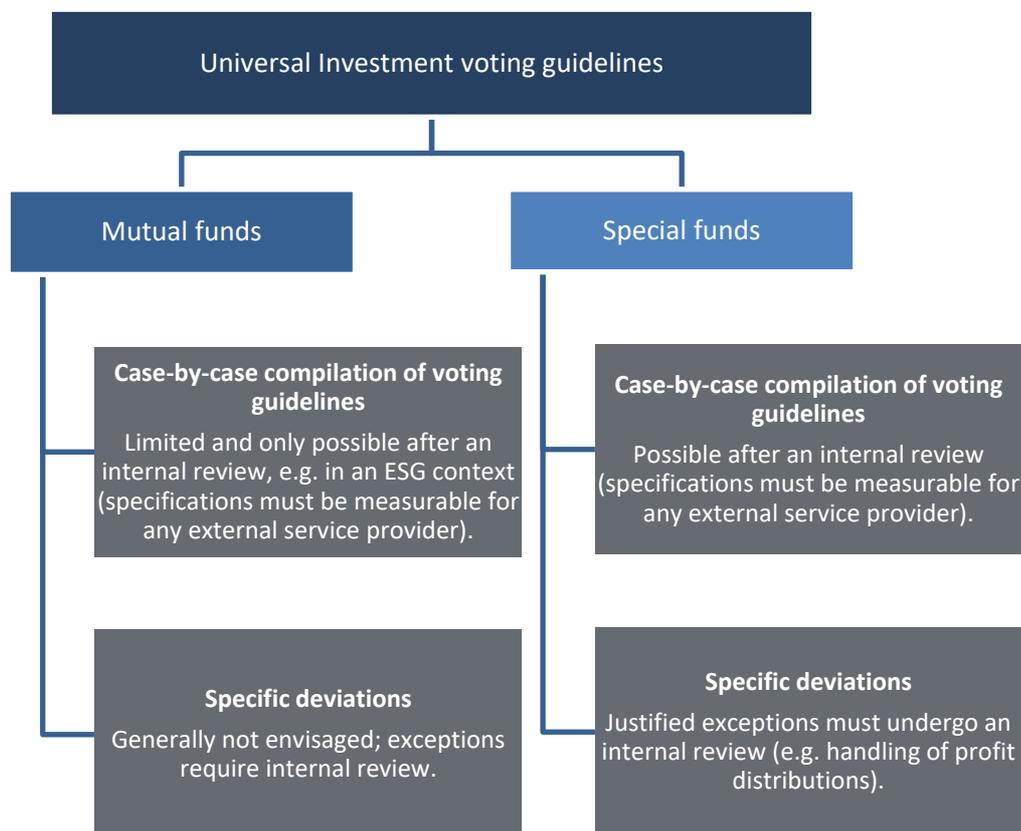
3. Handling conflicts of interest and securities lending

Universal Investment analyses any conflicts of interest that arise and takes measures to resolve them. These measures make Universal Investment transparent to investors and form a record of how actual conflicts of interest were resolved.

To prevent conflicts of interest and resolve any that arise, Universal Investment has implemented the following measures:

- the separation of functions and duties and an associated internal control system for the implementation of the “Minimum requirements for the risk management of investment companies” (KAMaRisk);
- Chinese walls;
- disclosure to clients of the general nature and origin of the conflicts of interest when the measures taken are insufficient to reasonably avoid the risk of harming client interests.

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



If a deviation from Universal Investment's general voting guidelines results in a conflict of interest, Universal Investment will resolve it in the best interests of investors. Where Universal Investment has a business relationship with the issuer/portfolio company concerned, this is not considered a deviation from Universal Investment's voting guidelines.

If securities holdings have been lent to other market participants, the securities loan has to be terminated in good time so that Universal Investment can exercise the voting rights associated with the lent securities (required by law for UCITS and mutual AIFs under Sections 200 et seq. of the Capital Investment Code (KAGB)). If it is in the interests of the investors in a special AIF to forego the exercise of voting rights in return for the income from securities lending, Universal Investment will do so.

On request, Universal Investment will give investors in a special AIF details of the measures taken in their investment fund on the basis of these voting guidelines, free of charge. In addition, Universal Investment reports annually on its website on general voting behaviour, the most important votes, the use of voting advisors and specific voting behaviour.

4. Miscellaneous participation policy under Section 134b(1) AktG

The monitoring of crucial matters at the portfolio companies is a task for the portfolio manager, who is contractually obligated to exercise due care in the selection, purchase and ongoing monitoring of assets on behalf of the investment fund. Alternatively, this monitoring must be incorporated into the recommendations of an external investment advisor. Each investment fund's investment strategy largely determines whether and how the analyses are carried out. Portfolio managers are also responsible for evaluating the outcomes of general meetings and drawing appropriate conclusions for the portfolio. Investment advisors have to incorporate the outcomes of general meetings into their investment recommendations. The qualified investment decision based on the investment advisor's recommendation is made by Universal Investment.

For business reasons, Universal Investment itself does not engage in corporate dialogue or cooperate with other shareholders. However, if in specific cases it is in the best interests of investors or of the investment funds managed by Universal Investment to actively exchange views with a portfolio company's corporate bodies and stakeholders, Universal Investment may do so by contracting the services of third parties.