



MEAG Proxy Voting Policy

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1 Preamble

MEAG MUNICH ERGO Kapitalanlagegesellschaft mbH (hereinafter **MEAG**) is obliged to exercise voting rights for the companies held in its investment funds (hereinafter **Portfolio Companies**) always in the interest of its investors. MEAG therefore generally influences the corporate governance and business policy of Portfolio Companies at general meetings of the Portfolio Companies in the interest of its own investors and exclusively for the benefit of the relevant investment fund concerned; in doing so, MEAG takes into account environmental, social and governance (hereinafter **ESG**) considerations.

MEAG supports, either itself or through authorized third parties according to clearly defined criteria (proxy voting), measures that can increase the value of the respective Portfolio Company in the long term and sustainably, and votes against such measures that may conflict with this objective. As MEAG's actions always focus on the interests of investors, MEAG has also taken various organizational measures to avoid possible conflicts of interest to the disadvantage of the respective investor, which could arise from the exercise of voting rights. Further information can be found in MEAG's participation policy.¹

MEAG exercises the shareholder rights to which it is entitled for domestic and foreign shares in which it invests on behalf of its investors in accordance with the applicable laws. As the basis for the voting principles, MEAG also takes into account the German Corporate Governance Code on responsible corporate management and control geared towards sustainable value creation (GCGC), the current analysis guidelines for annual general meetings of the German Investment and Asset Management Association (BVI) (BVI guidelines) and applicable market practice. International standards are also taken into account where applicable. The proxy voting policy takes up these framework conditions and formulates guidelines for the voting behaviour of MEAG and third parties authorised by it, whereby the applicable laws always remain unaffected.

In the event of discrepancies between the German and English version of this document, the German version shall prevail.

2 Management bodies of the portfolio companies

MEAG regards good corporate governance as the basis for responsible control of the Portfolio Company by its management bodies. Responsible management and control of a Portfolio Company geared towards long-term value creation is therefore in the interests of MEAG and its investors. The qualifications, composition, activities and remuneration of the management bodies of a Portfolio Company should reflect this. In addition to critical factors such as

¹ [MEAG Participation Policy](#)

- corporate governance (management board and supervisory board),
- remuneration policy of the company,
- appointment of auditors,
- capital measures incl. appropriation of profits and
- mergers and acquisitions

ESG-related aspects in particular should also be taken into account and corresponding business strategies analysed. This is reflected in principle in the following voting behaviour.

2.1 Appointment of members of the management bodies

MEAG will generally not approve resolutions on the appointment of members of the management bodies of a Portfolio Company if one of the following factors is present:

- 2.1.1 No comprehensive presentation of the qualification of the respective candidate (for the respective management body) on the basis of meaningful CVs and a competence matrix. This principle can be deviated from, if it is not considered the market standard.
- 2.1.2 Lack of independence of the respective candidate.
A member is considered dependent if one of the following points applies:
 - 2.1.2.1 More than twelve years of committee membership.
 - 2.1.2.2 Representative of a shareholder who holds more than 10% of the voting rights.
 - 2.1.2.3 Former member of the company's executive board in the two years prior to appointment.
 - 2.1.2.4 Additional relationship with the management board, the supervisory board or the company.
- 2.1.3 No adequate measures to identify, prevent, manage and disclose conflicts of interest.
- 2.1.4 Lack of diversity, in particular taking into account gender (e.g. no representative of the underrepresented gender in the case of supervisory boards with four or fewer members or less than 30 % in the case of more than four members), age or qualifications.
- 2.1.5 Failure to meet self-imposed corporate diversity targets.
- 2.1.6 Accumulation of mandates, as far as known, whereby several mandates within a group count as one mandate and the position of chairman counts twice.
 - 2.1.6.1 More than four mandates in total at listed companies for an executive member.

- 2.1.6.2 More than five mandates in total at listed companies for a non-executive member who does not hold an executive function in any company.
- 2.1.7 For Portfolio Companies with a monistic organizational structure: Personal union between chief executive and chairperson.
- 2.1.8 Less than half of the shareholder representatives on the supervisory board/board of a Portfolio Company are independent.
- 2.1.9 Chair of the audit committee is not independently staffed.
- 2.1.10 Chair of the remuneration committee is not independently staffed.
- 2.1.11 No independent member of the supervisory board has expertise in the areas of accounting or auditing.
- 2.1.12 Change from the management board to the chairmanship of the supervisory board, except with a cooling-off period of two years.
- 2.1.13 Block elections.
- 2.1.14 In the event of re-election:
 - 2.1.14.1 In the case of remuneration committee members: poor or non-response to significant shareholder criticism of the remuneration system (e.g., less than 75% approval).
 - 2.1.14.2 No individualized disclosure of attendance at meetings of the supervisory board, i.e. the full board and committees.
 - 2.1.14.3 Attendance at less than 75% of meetings without sufficient justification.
 - 2.1.14.4 Exceeding a term of mandate duration of 15 years.
 - 2.1.14.5 Personal union between the chairman of the supervisory board and chairman of the audit committee.

In the case of re-election of certain functions such as the chair of the supervisory board, chair of the governance committee, members of the ESG committee (if any), chair of the audit committee, the following aspects, among others, are taken into account:

- 2.1.14.6 There is no oversight of climate-related issues.
- 2.1.14.7 There has been no TCFD report.
- 2.1.14.8 Sustainability reporting is not appropriate for the size of the company.
- 2.1.14.9 No "net zero" CO₂ targets have been set and published.

2.2 Discharge of members of the management bodies

MEAG will generally not approve resolutions on the discharge of members of the management bodies of a Portfolio Company if one of the following factors are present:

- 2.2.1 For members of the management body

- 2.2.1.1 Failure to take reasonable measures to identify, prevent, manage and disclose conflicts of interest.
- 2.2.1.2 Deficient internal control system and/or risk management system and/or deficient description of adequacy and effectiveness.
- 2.2.1.3 Failure to comply with legal requirements and/or internal company or group guidelines (compliance).
- 2.2.1.4 Incorrect declaration of compliance.
- 2.2.1.5 Pending proceedings, e.g. challenges to financial statements, insider trading, corruption or antitrust violations.
- 2.2.1.6 Proportion of women of 0% in the composition of the respective body or, in the case of the management board, also in the two management levels below the management board.
- 2.2.1.7 Failure to appoint a member of the executive board responsible for ESG issues.
- 2.2.1.8 Lack of sustainability reporting.
- 2.2.1.9 Clear or recurring violations of generally accepted Social Responsible Investment (SRI) or ESG guidelines, including failure to designate an executive member as responsible for ESG issues.
- 2.2.1.10 No "net zero" CO2 targets were set and published.
- 2.2.1.11 No vote on the remuneration system for the management board and supervisory board in the event of changes or at least every four years.
- 2.2.1.12 Demonstrable harm to the interests of minority shareholders.
- 2.2.1.13 No correction or statement in annual general meeting resolutions on remuneration (system and report) and discharge with less than 75% approval of the voting rights represented at the annual general meeting in the previous year.
- 2.2.2 For members of the management board or comparable executive members of the management body:
 - 2.2.2.1 Sustained poor performance relative to the industry.
 - 2.2.2.2 Failure to comply with material transparency standards (e.g. failure to disclose CVs).
- 2.2.3 For members of the supervisory board or comparable non-executive members of the management body:
 - 2.2.3.1 Failure to exercise oversight responsibilities with respect to executive members.
 - 2.2.3.2 A company does not have affiliation limits or does not publish affiliation limits.

- 2.2.3.3 Less than half of the shareholder representatives on the supervisory board/board are independent.
- 2.2.3.4 Failure to identify financial experts by name and respective specific qualifications.
- 2.2.3.5 A regular age limit for members of the executive board, supervisory board, or board of directors is not specified or published.
- 2.2.3.6 Failure to comply with essential transparency standards, e.g. failure to publish CVs of non-executive members permanently and up to date on the website with the criteria of presenting qualifications in elections, bylaws, named committee appointments.
- 2.2.3.7 No individualized reporting on the attendance of supervisory board members at supervisory board and committee meetings in a clear form.

2.3 Remuneration of members of the management bodies

Due to the individual circumstances of each Portfolio Company and the different ways in which a remuneration system for members of the management board and supervisory board can be designed, MEAG takes into account the circumstances of each individual case when making decisions regarding remuneration systems. MEAG supports remuneration systems of the Portfolio Companies which MEAG believes are in the interest of its own investors.

The remuneration of the management bodies (including any benefits upon termination of contract) shall be based on the sustainable and long-term development of a Portfolio Company in a manner commensurate with performance and shall contribute to promoting the respective business strategy. The remuneration systems for members of the management board and the supervisory board of a Portfolio Company shall also be transparent.

The criteria and the amount of the remuneration of the members of the management board and the supervisory board of a Portfolio Company shall be determined by an independent body, if necessary with the assistance of an external remuneration expert, and shall be disclosed to the shareholders of a Portfolio Company in a complete and comprehensible manner. In its assessment of the respective remuneration system and remuneration report, MEAG will take into account legal requirements, market conditions, applicable industry standards (e.g. corporate governance codices such as the GCGC for German stock corporations or comparable codices) and other market-specific remuneration criteria.

To the extent permitted by law, MEAG will generally not approve resolutions on the remuneration system for the management board (or comparable executive members) of a Portfolio Company if one of the following factors are present:

- 2.3.1 When defining the remuneration system and determining the specific total remuneration, deviations are made from relevant industry standards (e.g.

- corporate governance codes such as the GCGC for German stock corporations or comparable codes).
- 2.3.2 The proportion of fixed remuneration exceeds the intended proportion of short-term and long-term variable remuneration.
 - 2.3.3 The share of short-term, in particular the one-year, variable remuneration exceeds the share of long-term variable remuneration.
 - 2.3.4 The performance parameters for determining the variable remuneration
 - 2.3.4.1 are not set for each member of the management board member for the upcoming fiscal year and are not aligned with the strategic objectives of the Portfolio Company,
 - 2.3.4.2 are exclusively linked to the stock price of the Portfolio Company, particularly in the case of share options and other share-based remuneration components,
 - 2.3.4.3 do not indicate a sustainability orientation, in particular by not including explicit ESG factors (especially related to climate change) in the short or long-term target achievement,
 - 2.3.4.4 do not differ in the criteria chosen for short-term incentives and long-term incentives,
 - 2.3.4.5 do not include a total of at least 3 criteria in the variable remuneration for short-term incentives and long-term incentives.
 - 2.3.5 Subsequent adjustment of performance parameters that facilitate the achievement of specified objectives.
 - 2.3.6 The variable remuneration component for share-based components is linked to the amount of the dividend, except in the case of a relative TSR (Total Shareholder Return) component.
 - 2.3.7 Lack of clearly defined and comprehensible bonus and malus components.
 - 2.3.8 Absence of a claw-back mechanism for remuneration components paid out.
 - 2.3.9 Possibility of granting special bonuses that go beyond the compensation of assumed remuneration obligations.
 - 2.3.10 Lack of obligation to make own investment (so-called share ownership guidelines).
 - 2.3.11 Stock option plans are issued jointly for members of the management board and employees.
 - 2.3.12 Stock option plans exceed a dilution of 10%.
 - 2.3.13 Existence of discretionary powers, e.g. discretionary factors in the annual bonus that exceed 20% increase or decrease or are not covered by maximum remuneration.
 - 2.3.14 Voting on the remuneration systems of both management bodies in one agenda item.

- 2.3.15 Lack of transparency (e.g. no clear and understandable disclosure of all remuneration performance parameters or in the disclosure of stock option programs).
- 2.3.16 Increasing or inappropriately reduced remuneration in conjunction with poorer corporate results
- 2.3.17 Non-performance-related or disproportionate remuneration or severance payments of any kind; lack of bonus/malus remuneration.

To the extent permitted by law, MEAG will generally not approve resolutions on the remuneration system of the supervisory board (or comparable non-executive members) of a Portfolio Company if one of the following factors are present:

- 2.3.18 The remuneration is not appropriate relative to comparable companies.
- 2.3.19 The remuneration is not predominantly fixed.
- 2.3.20 If variable remuneration components exist:
 - 2.3.20.1 Linkage to the dividend or comparable short-term metrics.
 - 2.3.20.2 Lack of focus on long-term corporate development.

MEAG expects that significant changes to a remuneration system for management bodies of a Portfolio Company will be submitted to the annual general meeting of a Portfolio Company for voting. The remuneration system for the management bodies of a Portfolio Company shall be submitted to the annual general meeting of a Portfolio Company for voting at regular intervals, but at least every four years.

3 Auditor

The annual financial statements of a company should present an actual view of the company's net assets, financial position and results of operations. A prerequisite for this is the independence and impartiality of the auditor, also with regard to the auditor's remuneration. MEAG will generally not approve resolutions on the appointment of the auditor of a Portfolio Company if any of the following factors are present:

3.1 Audit of the financial statements

- 3.1.1 Doubts as to the accuracy of the audit.
- 3.1.2 Doubts about the quality assurance measures applied with reference to audit procedures to be performed.
- 3.1.3 Doubts or lack of transparency with regard to the selection and processing of the audit priorities.
- 3.1.4 Pending severe legal proceedings against the audit firm or the responsible auditor.

3.2 Independence of the auditor

- 3.2.1 The independence of the audit firm or the responsible auditor in the preparation and presentation of the Portfolio Company's financial statements is not permanently guaranteed. Advisory activities are not adequately disclosed (including by negative declaration, if applicable) to determine independence.
- 3.2.2 The responsible auditor is not explicitly named in the annual report. Indirect mention via the audit opinion is not sufficient.
- 3.2.3 The responsible auditor has been appointed for more than five years. Information on the period of appointment of the audit firm and the responsible auditor must be disclosed in advance in the annual report respectively permanently on the website.

3.3 Remuneration

- 3.3.1 Remuneration for the audit is not disclosed and/or not appropriate.
- 3.3.2 Remuneration for the audit of the annual financial statements is not disclosed separately from other fees, in particular advisory fees.
- 3.3.3 The fees for advisory services repeatedly or disproportionately exceed the fees for the audit of the financial statements without reasonable justification.

4 Capital measures and repurchase of shares

MEAG supports capital increases of a Portfolio Company, provided that the new capital allows a return which exceeds the respective capital costs of the capital increase.

The proposal for a capital increase at a Portfolio Company must be submitted to the annual general meeting of the respective Portfolio Company for voting, together with a statement of reasons and information on the long-term strategy of the company. The proposal must state the amount of the Portfolio Company's total remaining reserve capital and its percentage share in its share capital.

MEAG will generally not approve a resolution to increase the capital of a Portfolio Company in the following cases:

4.1 Resolutions regarding all capital increases, including authorized and conditional capital increases

MEAG will generally not approve a resolution to increase capital in the following cases:

- 4.1.1 Preferred shares are to be issued.
- 4.1.2 Profit participation rights are to be issued.
- 4.1.3 Subscription rights are not to be tradable on a stock exchange.

- 4.1.4 Justification and information on the company's long-term strategy regarding the capital measures are missing.
- 4.1.5 The ordinary capital increase does not serve to clearly increase the Portfolio Company's earnings opportunities in the long term.
- 4.1.6 The amount of the total remaining reserve capital and its percentage share in the share capital in the documents for the annual general meeting are not stated.

4.2 Anticipatory resolutions for authorized and conditional capital increases

MEAG will generally not approve an anticipatory resolution to increase capital in the following cases if:

- 4.2.1 The proposed capital increase exceeds 20% of the Portfolio Company's share capital.
- 4.2.2 The total anticipatory resolutions cumulatively exceed 40% of the share capital of the Portfolio Company.
- 4.2.3 The proposed capital increase exceeds 10% of the share capital of the Portfolio Company and the subscription rights are excluded beyond this. All exclusions of subscription rights - with the exception of the settlement of fractional amounts - shall apply. Exclusions of subscription rights are generally to be considered cumulatively, whereby anticipatory resolutions already provided for in the articles of association are to be included.
- 4.2.4 Subscription right exclusions are limited only by means of a voluntary commitment which is not included in the articles of association of the respective Portfolio Company.

4.3 Repurchase of own shares by portfolio companies

MEAG will generally not approve resolutions on the discharge of members of the management board or the supervisory board of a Portfolio Company if one of the following factors is present:

- 4.3.1 The Portfolio Company making the application is in financial difficulties.
- 4.3.2 Proposals for share buyback without justification and information on the Portfolio Company's long-term strategy with regard to capital measures.
- 4.3.3 Share buyback is not regulated equally for all investors and there are advantages for individual shareholders.
- 4.3.4 The price at which the shares are to be repurchased exceeds the respective market price by 10%.
- 4.3.5 A buyback volume of more than 10% for anticipatory resolutions.
- 4.3.6 A period of authorization of more than five years, excluding share repurchase programmes that are solely for remuneration purposes.

4.3.7 An authorization to issue repurchased preferred stocks.

With regard to item 4.3, it should be noted that this is a BVI standard that is applied in Germany but not internationally.

5 Acquisitions and mergers

MEAG supports intended transactions in the form of an acquisition and a merger in which a Portfolio Company is involved, if they are in line with a long-term and sustainable corporate strategy of the Portfolio Company.

MEAG evaluates these transactions taking into account the circumstances of each individual case. As part of the case-by-case assessment, MEAG will consider in particular the legal and economic framework of the proposed transaction, valuations, ESG criteria, the reaction of the relevant market, the timing of the transaction, the process of identifying a target company, any conflicts of interest and voting agreements.

MEAG will generally not approve a resolution regarding a transaction if any of the following factors are present:

- The offered purchase price does not correspond to the sustainable company value.
- Measures are taken to impede takeovers (so-called poison pills).

6 Distribution of profit

MEAG supports a distribution policy for Portfolio Companies that is in line with the long-term corporate strategy and is appropriate.

MEAG will generally not approve a resolution regarding the appropriation of profits if any of the following factors are present:

- The dividend is not appropriate by industry standards and does not reflect the financial performance of the Portfolio Company (generally 20 to 100% measured by EPS (earnings per share)).
- The dividend is paid out of the Portfolio Company's substance, except in exceptional cases for which there are special reasons.
- in the case of authorization to use bonus shares (so-called scrip dividends), there is no option to choose cash dividends.

7 Sustainability and shareholder proposals

The roles and responsibilities of the management board and its committees are assessed in order to understand the level of oversight of sustainability and climate-related risks and opportunities. As a matter of principle, the dismissal of the management board and supervisory board is not approved if there are clear and

sustained violations of generally recognised SRI or ESG guidelines, e.g. environmental concerns, employee concerns, social concerns, respect for human rights, no monitoring of supply chains. MEAG also supports appropriate shareholder proposals that promote the aforementioned ESG criteria, as described in more detail in 7.3.

A Portfolio Company's climate change strategy is assessed according to whether the company has set "net zero" reduction objectives. The aim is to minimize potential ESG risks and promote the sustainable development of the Portfolio Companies.

7.1 Human rights

MEAG promotes respect for human rights through the following measures:

- Critical re-election of the chairmanship of the supervisory board of a Portfolio Company if the company does not have a human rights policy or is not a signatory to the United Nations Global Compact.
- Critical dismissal of the chairmanship of the supervisory board of a Portfolio Company and, if individual discharge is not possible, critical dismissal of the entire supervisory board/management board if the company does not have a human rights policy or is not a signatory to the United Nations Global Compact.

7.2 ESG disclosure and reporting

MEAG expects the Portfolio Companies to comprehensively disclose sustainability and climate-related risks in company reports in order to be able to assess how the respective Portfolio Companies take climate change, environmental and social issues into account.

Based on the information and analyses received from the Portfolio Companies, an assessment is made whether they comply with sustainability standards, codes and principles, set out their responsible business strategy in writing and provide information on their activities and ESG principles, e.g. with regard to climate, environmental aspects, employee concerns, respect for human rights, combating corruption and bribery.

7.3 Shareholder proposals

MEAG also makes use of its voting rights for shareholder proposals that are put to the vote at the annual general meeting. It supports those that are conducive to the sustainable development of the company and reflect the long-term interests of shareholders.

The following applications are regularly considered favourable by MEAG:

- Applications to reduce a company's negative environmental impact and overall environmental footprint, including any threats to biodiversity in environmentally sensitive areas

- Applications requiring companies to carry out social and/or environmental audits and/or risk assessments of their activities in general
- Applications for the inclusion of sustainability/ESG criteria in the remuneration structure
- Applications that require companies to prepare sustainability reports, including applications that require disclosure in accordance with TCFD, SSB, GRI or other international guidelines.
- Applications requesting companies to set greenhouse gas reduction targets, taking into account science-based targets, including information on greenhouse gas emissions (including carbon, methane and all other recognised greenhouse gases), mitigation targets and the company's climate transition plan.
- Proposals calling for the appointment of at least one member of the management board as a sustainability expert and/or the establishment of a special sustainability committee.
- Requests that the company vote annually on its environmental and climate action plan.
- Requests that the company cease its climate-related lobbying activities that contradict the conclusions of the IEA and the IPCC.
- Requests not to fund new fossil fuels/ amend bylaws to not fund fossil fuel supplies/ disclose information showing how funding will not be used for new or expanded fossil fuels.
- Requests for companies to adopt fair labour practices that are consistent with recognised international human rights standards, including policies to eliminate gender-based violence and other forms of harassment in the workplace, and requests for a company to report on its efforts to promote a safe workplace for all employees; this includes requests for further reporting on compliance with international human rights standards.
- Motions calling for the payment of living wages and/or the protection of children from forced labour.
- Motions calling for a diversity policy to be introduced.
- Motions to introduce robust whistleblowing systems and policies that are accessible to all.

8 Virtual annual general meetings

MEAG only supports virtual shareholder meetings if the applicable legal requirements for virtual general meetings are complied with and the rights of shareholders are not unreasonably restricted in comparison to on-site meetings.

Shareholders' rights are deemed to be unreasonably restricted if the right to ask questions per shareholder is unreasonably limited in advance of the annual general

meeting or if a maximum total number of admissible questions is set in advance and the right to ask questions or request information at the annual general meeting is limited to follow-up questions and questions on new matters.

9 Dealing with conflicts of interest

MEAG votes exclusively in the interests of its investors and independently of the interests of third parties. Should a potential conflict of interest arise to the disadvantage of an investor, MEAG will resolve this potential conflict in the best interest of the investors concerned. In such cases, internal guidelines exist to ensure that conflicts of interest are avoided or that unavoidable conflicts of interest are handled and disclosed appropriately. Further information on how to deal with conflicts of interest can be found in the published principles for the avoidance of conflicts of interest, which can be accessed at www.meag.com.

10 Exercise of voting rights and their review

MEAG exercises the shareholder rights to which it is entitled for almost all domestic and foreign shares in which it invests on behalf of its investors. In the course of exercising voting rights, a proxy voting advisor appointed by MEAG prepares voting proposals on the basis of this proxy voting policy. For the voting proposals of a proxy voting advisor commissioned by MEAG, a preliminary review (ex-ante) for selected Portfolio Companies is carried out, in particular companies with an engagement dialogue; otherwise the exercise of voting rights is subject to a subsequent review (ex post) by means of a random sample of the largest holdings. In the event that the proxy advisor's voting proposal differs from the assessment of the ESG & Sustainable Finance Team, MEAG has an established process (MEAG ESG Committee) to reach a decision on the vote.

11 Revision of the proxy voting policy

The ESG & Sustainable Finance department of MEAG is responsible for the content of this Proxy Voting Policy. The Proxy Voting Policy will be reviewed annually and amended as necessary. Any material changes, such as changes or additions to responsibilities or material changes to content or scope, must be approved by the MEAG ESG Committee.