

Policy for exercising voting rights

for

Investeringsforeningen Danske Invest, Investeringsforeningen Danske Invest Select and Investeringsforeningen ProCapture

The articles of association of the investment funds Danske Invest, Danske Invest Select and ProCapture stipulate that the Board of Directors of each fund decide who will exercise the voting rights on the fund's securities.

The Board of Directors of the abovementioned investment funds have chosen to take into account the recommendations on active ownership issued by the Committee on Corporate Governance (*Komiteen for God Selskabsledelse*) and EFAMA's Stewardship Codes. Both set of rules are soft law and applied on a "comply or explain" basis.

This policy for exercising voting rights, including the sub-funds for which the Board of Directors has decided to issue a voting proxy, will be reviewed by the Board of Directors annually or more frequently where required.

The objective of the policy and the corporate governance principles set out herein is to provide a basis for protecting and promoting long-term value proposition in the companies in whose shares the funds' sub-funds invest, duly respecting company-specific, local, industry-specific and other investment-relevant matters, e.g. that companies may pursue thematic strategies emphasising e.g. environmental aspects.

About the corporate governance principles

The corporate governance principles set out below should be pursued in the companies in which the investment funds' sub-funds invest. They describe the segregation of duties and the responsibilities of and interaction between the management bodies of a company and its owners. In addition, they describe the monitoring hereof and the persons responsible.

The management of a company is responsible for running the company in the best interest of its owners, i.e. to optimise long-term value proposition. Its owners and asset managers monitor and assess the Board of Directors, the company structure and its governance, and they should not participate in the company's day-to-day operations.

Exercising voting rights and active ownership

The investment funds Danske Invest, Danske Invest Select and ProCapture will act as active owners of companies, when this is believed to increase the owners' risk-adjusted returns and where the investment funds represent a relevant ownership interest. The investment funds will primarily seek to influence the companies' governance through dialogue with the companies' managing bodies and, secondarily, by voting at the general meetings of the companies. The investment funds will generally not vote on investments in index-linked sub-funds. When exerting influence on corporate governance matters, the investment funds are aware of the fact that corporate governance is interpreted and implemented

differently in various markets depending on cultural and legal issues. Also, the investment funds are aware of the importance of a company's specific circumstances.

Ownership activities will be escalated when concerns are raised about a company's strategy, performance, risk, capital structure, corporate governance including responsible social conduct, corporate culture, management remuneration or similar. Escalation will primarily take place by additional dialogue to discuss the concerns, escalating stewardship activities in collaboration with other investors or ultimately by selling the shares.

The Boards of Directors of the investment funds Danske Invest, Danske Invest Select and ProCapture give a discretionary proxy to Danske Bank Asset Management, in accordance with this policy, to vote on behalf of selected sub-funds (see [appendix 1](#)). These sub-funds have been selected because the shareholdings are considered to be of such size that the weight reflects the resources spent.

Voting instructions regarding companies not comprised by the above-mentioned proxy must be individually approved by the chairman or alternatively, the vice chairman or, at his discretion, by the entire Board of Directors.

If Danske Bank Asset Management/Danske Bank as proxy holder achieves 15% or more of the votes in a company comprised by the voting proxy from the funds, the proxy will cease to be effective with respect to votes concerning the company in question.

Danske Bank Asset Management may – with due consideration to applicable rules – collaborate with other investors and include third-party research if this is found to be expedient in order to achieve greater effect.

As stock lending at the time when the public limited company holds its general meeting entails that the votes attaching to the lent shares cannot be exercised by the investment funds, the potential gain from such stock lending must be assessed in relation to the loss of voting rights.

Preventing conflicts of interest

The investment management company of the investment funds, Danske Invest Management A/S, determines at its own discretion any additional measures beyond those mentioned above to handle conflicts of interest arising in connection with the exercise of voting rights.

When assigning the exercise to third parties, these third parties must ensure that satisfactory procedures are in place for handling conflicts of interest arising in connection with their exercise of voting rights.

Voting at general meetings of Danske Bank A/S is not part of the general discretionary proxy and may only take place when individually approved by the chairman or alternatively, the vice chairman or, at his discretion, by the entire Board of Directors.

A conflict of interest may arise in the event that a fund holds units in a company where one of the fund board members is also represented in the board of the company. This situation is mitigated by delegating the voting right to Danske Bank Asset Management/Danske Bank, so that the board itself is not actively involved in the voting decision with regards to the election of board members. ----

The investment funds Danske Invest, Danske Invest Select and ProCapture put special emphasis on the corporate governance components set out below.

Corporate governance

The funds prefer a two-tier management structure consisting of a Board of Directors and an Executive Management, with a majority of independent board members who collectively have the required competencies and the required experience. Furthermore, the funds prefer that the roles of chairman and CEO are segregated.

In case of a one-tier management structure, the funds prefer a clear majority of independent board members.

A company's Board of Directors must be capable of meeting its obligations, including the task of assessing and approving the company's strategy, ensuring integrity and responsibility and also selecting, monitoring and remunerating key employees adequately without unduly influencing in-house or external parties.

Culture

The funds expect that a company's management team will ensure its integrity while promoting a responsible and appropriate conduct towards all of the company's stakeholders.

To ensure responsible social conduct, the funds prefer that the companies have a responsible approach in line with the UN-supported Principles for Responsible Investment as well as the Danish Stewardship Code as mentioned in the funds' policy for sustainable investments.

Risk management

The funds expect that a company's management team pursues proactive and effective identification and management of the company's risk exposure. The funds prefer a process in which the company's Board of Directors approves the company's risk policy on an annual basis.

Audit

The funds expect that a company's Board of Directors ensures a robust and independent audit process. The funds find it appropriate that companies with complex accounting and auditing issues set up an audit committee to assist the Board of Directors in these matters.

Management remuneration and incentive programmes

The funds expect that a company's remuneration of its Board of Directors is structured in such a manner that the board's independence will not be reduced relative to the Executive Management or controlling owners.

The funds generally believe that incentive pay to board members is unsuitable but cannot rule out the possibility that it may in certain cases be appropriate and necessary.

The funds believe that a company's remuneration of its Executive Management should be competitive, in accordance with the factors driving the company's long-term value proposition and supportive of a healthy corporate culture.

The funds prefer that any Executive Management incentive programmes should be long-term, transparent, supportive of actual value proposition and not inducing a higher or lower risk profile than that preferred by the owners.

The funds expect that Executive Management remuneration, including any incentive programmes, is adequately disclosed, although not necessarily specified by persons.

Information policy

The funds expect that companies have defined a clear information policy building on consistency, completeness and timeliness. Adequate and timely information from the companies is a prerequisite for general public confidence and well-functioning capital markets.

The funds prefer publication of financial targets, and follow-up on such targets is considered a key corporate governance component.

If companies opt not to comply with relevant and generally accepted corporate governance principles, the funds expect them to explain the underlying reasons (“comply or explain”).

Capital structure and dividend policy

The funds expect that a company’s Board of Directors will ensure an expedient and well-described capital structure. The funds prefer that the capital structure should reflect the operational risks, the cash flow and the company’s investment requirements and that the company should be neither overcapitalised nor strongly indebted.

The funds prefer a consistent and continuous dividend policy.

24 April 2019

The Boards of Directors of

Investeringsforeningen Danske Invest
Investeringsforeningen Danske Invest Select
Investeringsforeningen ProCapture

Overview of sub-funds

The Board of Directors has resolved to give a proxy to Danske Bank Asset Management to exercise the voting rights attaching to shares owned by the following sub-funds in accordance with the funds' *Policy for exercising voting rights*.

- DI Danmark KL
- DI Danmark Fokus KL
- DI Danmark – Akkumulerende KL
- DI Europa – Akkumulerende KL
- DI Europa KL
- DI Europa 2 KL
- DI Europa 2 – Akkumulerende KL
- DI Europa Small Cap KL
- DI Europa Small Cap – Akkumulerende KL
- DI Tyskland KL
- DI Europa Højt Udbytte KL
- DI Europa Højt Udbytte – Akkumulerende KL
- DI Østeuropa ex Rusland KL
- DI Østeuropa KL
- DIS Norske Aktier Restricted – Akkumulerende KL