

# Spar Nord's Policy for active ownership

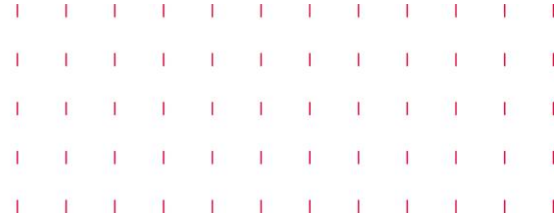


## 1. Purpose and objective

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This policy describes how Spar Nord Asset Management carry out active ownership for its portfolio management activities. Spar Nord Asset Management is an active portfolio manager with a long-term investment approach. The objective is to promote long-term returns after costs and considering the investment risk. Spar Nord Asset Management wants to contribute to companies focusing on the long-term value creation, as we find this essential for achieving the highest possible return. Clients of Spar Nord Asset Management can trust that investments are made in a responsible manner. Central to the investment process is return and value creation through analysis of both financial and sustainability-related key figures and risks, as well as an evaluation of ESG performance and the companies' adherence to international norms and conventions. The investment strategy is active management with the possibility to have high active shares. All investments are made via direct investments in the company's shares.

Active ownership is part of Spar Nord's integration of sustainability risks and principal adverse impacts on sustainability factors in the investment process. See more about sustainability risks and principal adverse impacts on sustainability factors in the Policy for Responsible Investments.



## 2. Principles

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### 2.1 Global equities (ex. Denmark)

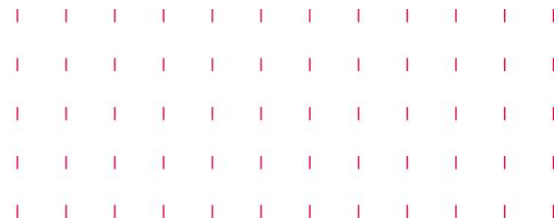
For investments in global equities, active ownership will generally be carried out by Institutional Shareholder Services (ISS). ISS exercises proxy voting at annual general meetings (AGMs) for those foreign investee companies which Spar Nord is invested in on behalf of our clients. The voting is exercised based on pre-determined guidelines and conditions agreed by Spar Nord and ISS. Ahead of voting deadlines, Spar Nord reviews agenda items for all general meetings in foreign companies where we have investments. This allows Spar Nord to deviate from the ISS voting recommendations if we deem it appropriate.

### 2.2 Danish equities

For investments in Danish equities, active ownership will be carried out directly by Spar Nord Asset Management. Spar Nord Asset Management's active ownership for Danish companies is primarily directed towards active part-taking in proxy voting at AGMs. Next to this, we perform as part of our active portfolio management:

- Ongoing monitoring of investee companies with a focus on:
  - The company strategy
  - Financial and non-financial targets as well as achieved results
  - Risk
  - Capital structure
  - Good governance
  - ESG-performance, incl. climate change
  - Respect for human rights
  - Labour rights
  - Corruption and bribery
- Participation in investor presentations
- Participation in company conference calls
- Participation in conferences calls with equity analysts
- Ongoing dialogue with equity analysts covering the relevant company
- Active buy/sell decision-making on the relevant company

Through active ownership and dialogue with the executive management, the board, or other shareholders and stakeholders, we might try to influence or change the situation, if we conclude a need for a behavioural change, or find unacceptable conditions. The starting point is dialogue and engagement with the management team and the board rather than exclusion. Through active ownership Spar Nord Asset Management has more opportunities to influence than with simple divestment.



Active ownership can be carried out at several levels:

**Confidential:**

- Dialogue and discussions with the management and investor relations
- Written enquiries
- Meetings with the management/board

**Public:**

- Participation in the AGMs
- Shareholder proposals at AGMs
- Voting at AGMs
- Proposals to convene the extraordinary general meeting
- Publication of press releases or similar

**Collaboration:**

- Dialogue with other investors
- Collaboration with other investors on certain actions

The board should act based on the long-term interests of all shareholders. As such, we prefer that the board is independent of the day-to-day management as it e.g., strengthens the credibility of the board's monitoring function. We generally support proposals by the board but only if we post-analysis deem it to be in line with the shareholders' long-term interests.

Spar Nord Asset Management votes at AGMs and initiates dialogue with the company when deemed relevant.

If we deem that the dialogue with the company and/or voting at the AGM is not effective, Spar Nord Asset Management has the possibility to sell the relevant shares and possibly exclude the company from our investment universe.

## 3. Approval and updating

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This policy was approved by Spar Nord's Board of Directors effective 1 July 2024.