

Engagement policy for Topdanmark A/S (hereinafter Topdanmark)

1. Introduction

Value creating activities in a company

Every company is concerned about activities, which have the purpose of creating value, within the scope of company activities, or the benefit of the company's stakeholders. Regardless of the extent and content of the activities, the company must constantly ensure that the value creation in content and horizon is optimal from the shareholders' perspective. At the same time, the company's value creating activities must take place in a proper and responsible way, and with due respect for the surrounding community.

Topdanmark maintains the position that owners of the company must act responsibly in performing the company's activities. This also applies where the owners' share in the company is small. However, with a small ownership share in a company and thus little influence on the company's operation, it may be difficult to exercise effective influence.

2. The purpose of stewardship

As an investor, Topdanmark's purpose of exercising stewardship in order to make use of its potential influence is to disseminate a responsible and value creating behaviour with due respect for the surrounding community. However, Topdanmark's influence should never displace the primary purpose of the stakeholders' interests to create an attractive profit from investments for the portfolio owners.

3. Strategy for stewardship

Breach of norms and conventions

If Topdanmark has a share in a company where the company's operation does not live up to the norms of Topdanmark's CSR policy, and Topdanmark's share is regarded profitable, a solution must be sought in accordance with this prioritised sequence:

- The share in the company gives a realistic possibility for influencing the company to change behavior by dialogue with the management
- In cooperation with other stakeholders, seek to obtain a similar influence
- Divest ownership

Owner's involvement in the company's value creation

Particularly in small Danish companies, Topdanmark's ownership may in some cases be relatively significant. Regardless of the background for the substantial ownership share being company strategy or portfolio investment, it is Topdanmark's policy that:

- The companies in question are acquainted with Topdanmark's position on the company strategy
- Topdanmark votes at the annual general meetings in order to increase the value creation

4. Stewardship reporting

In companies where Topdanmark controls more than 2% of the votes or share capital and is not represented on the board of directors, annual reporting on company level must include:

- Whether Topdanmark has participated in the company's annual general meeting
- How Topdanmark has voted
- Whether there are unsettled matters between Topdanmark and the company covered by "Financial Business Act §78", or other substantial unsettled business concerns with the company in relation to the size of the company. However, this only applies if it can take place within the scope of the current legislation including the rules against insider trading.

5. Stock lending and stewardship

In order to increase the return of investment of Topdanmark's shares, these have been made subject to stock lending. Topdanmark's policy is to maximize the long term return of investment of the shares and only to recall the share loan if it serves the overall purpose.

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Signed by (translated)

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