

Shareholder Engagement Policy

Ownership Capital

February 2021

1 Introduction

Long-term engagement with our portfolio companies is at the core of the investment philosophy of Ownership Capital. We engage not only on financial factors, but also on the extra-financial factors, environmental, social and corporate governance (ESG).

This policy statement addresses Ownership Capital's approach to stewardship as referred to in article 5:87c sub 1,2 and 6 of the Dutch Financial Supervision Act ("Wet op het financiële toezicht"), as transposed into Dutch legislation from the Shareholder Rights Directive II (SRD II).

The SRD II is part of EU-wide measures intended to promote effective stewardship and long-term investment decision making. SRD II aims to achieve this by enhancing transparency of engagement policies and investment strategies across the institutional investment community.

2 Our Stewardship Belief

As active owners and long-term investors, Ownership Capital aims to be a good steward of the assets we manage. Ownership Capital is dedicated to strong stewardship which plays a vital role in responsible investment practices. Ownership Capital recognises the importance of shareholder engagement and the contribution that environmental, social and governance (ESG) considerations can make to sustainable investment outcomes.

3 Shareholder engagement in our investment strategy

Engagement is undertaken by our investment team and is seen as vital to understanding a company's strengths and weaknesses. We believe engagement is useful in assessing the performance and suitability of investee management teams and is key in influencing these teams.

The investment team of Ownership Capital is responsible for continuously monitoring companies and holdings to ensure that they remain appropriate and suitable for investment. Meetings are regularly held with companies to discuss specific results or events as well as more informal dialogue incorporating site visits and other research initiatives. These meetings

cover a range of topics from corporate strategy, risk management, corporate governance, board composition and remuneration issues. Ultimately this dialogue aims to cover aspects relevant to the decision on whether or not to invest in, or divest from, the company concerned.

3.1 Strategy

The Ownership Capital investment team regularly meet with company management, engages with company updates as well as regular discussions with analysts to ensure they are able to monitor the strategy of an investee company. Investment analysis conducted includes non-financial and financial performance, ESG policy, risk, capital construction and strategies.

3.2 Financial and non-financial performance and risk

Our portfolio managers use a mixture of internal and external research when considering an investee company and frequently meet with management teams or their representatives to ensure that their interests are aligned with our own and that we are comfortable the company has a strongly embedded culture.

Non-financial factors have always been an important area of analysis and are monitored through company reports and statements, broker research, independent analysis, press comments and direct contact with the company.

3.3 Capital structure

The capital structure of an investee company is considered by the investment team on initial investment and subsequently monitored for any changes on a long-term basis.

3.4 Social and environmental impact and corporate governance

Ownership Capital is taking an integrated approach to incorporate ESG considerations directly into our investment process and considerations. This allows our portfolio managers to consider ESG alongside more traditional factors. As long-term investors looking to build quality portfolios, our portfolio managers consider ESG factors throughout the investment process.

4 Conduct and Communication with stakeholders of Investee Companies

Engagement is undertaken by our investment team and is seen as vital to understanding a company's strengths and weaknesses. We also believe engagement is useful in assessing the performance and suitability of management teams and is key in influencing these teams.

5 Exercise of voting rights and other rights attached to shares

Ownership Capital voting guidelines are based on the principles of the International Corporate Governance Network (ICGN), as they provide an internationally recognized framework for corporate governance. Ownership Capital typically votes all AGM's and ballots for which we are eligible unless we are in the process of fully divesting a portfolio company, or have already fully divested the stake prior to the AGM.

We will work together with our clients to share our experience and, where they wish to execute their own voting, we use our knowledge of portfolio companies to advise on the voting decision. Our voting is based on principles and we seek to always take the context of the company, its markets and developments into account when voting. The Ownership Capital voting principles are:

- Optimising risk / return
- One share, one vote
- Alignment of interest
- Know-what-you own principle
- Shareholder proposals
- Continuous discussion

Each of these principles are explained below:

5.1 Optimising risk / return

As long-horizon investor, Ownership Capital has a fiduciary duty to contribute to its clients' interests by voting in such a way that optimizes risk / returns for shareholders in the long term.

5.2 One share, one vote

Ownership Capital supports the principle of 'one share, one vote' granting equal rights to all shareholders. Where a potential portfolio company issues shares with differing rights, Ownership Capital requires a transparent definition of these rights and a clear explanation of why voting rights are not equal.

5.3 Alignment of interest

Ownership Capital will support resolutions that aim to improve performance with regards to the OC Investment Principles including, but not limited to, those related to extra-financial risks (Environmental, Social, Management, and Governance).

5.4 Know-what-you own principle

Ownership Capital asks from its portfolio companies that they disclose operations, financial, and governance information in a timely, complete, and comprehensible manner, and in accordance with International Financial Reporting Standards (IFRS), Carbon Disclosure Project (CDP), International Corporate Governance Network (ICGN), or other relevant regulatory and governance frameworks.

5.5 Shareholder proposals

As a long-horizon investor, Ownership Capital engages as an owner of the business and in this capacity actively votes on shareholder proposals.

5.6 Continuous discussion

Ownership Capital pro-actively engages with the senior management of all portfolio companies. It strives to identify and discuss issues well ahead before these come to formal voting at the AGM. Voting decisions are taken in the context of the engagement.

6 Cooperation with other shareholders

We recognise that there is value in collaborative engagement and work with and act alongside other similarly aligned market participants where appropriate. As an example,

Ownership Capital is a signatory to, and contributor of, the United Nations Principles for Responsible Investment.

7 Conflicts of Interest

Potential conflicts of interest can arise in investment management operations. It is a requirement that all reasonable steps are taken to identify conflicts of interest that may arise either between clients and/or between clients and the investment manager.

In voting, in order to avoid any potential conflict of interest, it is our policy to abstain from a shareholder vote in relation to direct investment in another of the investee group's affiliated companies and in circumstances in which the interests of clients diverge.

In all cases where a potential conflict of interest arises with a client, the position will be referred to the senior management team of Ownership Capital, and every effort will be made to resolve such issues in the client's favour.