

# **Guidelines for the Exercise by Metzler Asset Management GmbH of Voting Rights at Annual General Meetings**

---

## 1. Legal framework

---

The German Investment Code (Kapitalanlagegesetzbuch) and the Rules of Good Conduct (Wohlverhaltensregeln) of the German Investment Funds Association (BVI), the principal association representing the interests of investment companies, both require that German AIF/UCITS management companies exercise the voting rights for the corporate securities held in their funds exclusively in the interests of investors. Metzler Asset Management GmbH takes seriously this fiduciary responsibility toward its investor clients, and votes on their behalf according to clearly specified criteria, exercising proxies either itself or through authorized third parties.

Asset Managers shall develop and disclose an engagement policy according to the German Stock Corporation act (Aktiengesetz).

## 2. Guidelines for exercising voting rights

---

Good corporate governance typically leads to a rising stock price in the long term. Metzler Asset Management GmbH therefore appreciates well-run corporations. The firm talks to companies on a regular basis about key matters of corporate governance and business activity. By engaging in dialogue and exercising voting rights appropriately, Metzler Asset Management GmbH can evaluate management performance and exert influence.

As a long-term investor, Metzler Asset Management GmbH will generally support all those measures that can enhance the value of the company in question in the long term, and will oppose any measures that would counteract such long-term appreciation. It is the view of Metzler Asset Management GmbH in this context that, for a company to be considered well-run, it must comply with applicable laws and corporate-governance codes and take account of the relevant environmental and social standards (ESG). Aside from being the right thing to do, acting responsibly and giving due consideration to environmental and social issues will serve to enhance a company's long-term success, thereby increasing its value.

Accordingly, Metzler Asset Management GmbH will also evaluate proposals at annual general meetings in terms of their compliance with the investment strategy and with social and environmental concerns. One of the duties of corporate governance is to take social and environmental concerns into account when making decisions whenever possible without impeding efficient governance. In this regard, Metzler Asset Management GmbH avails of assistance from external service providers such as BMOGAM (Bank of Montreal Global Asset Management), whose voting guidelines are incorporated herein by reference. If Metzler Asset Management GmbH considers a proposal at an annual general meeting to be incompatible with social and environmental concerns after appropriate consideration of all circumstances, the firm will abstain or vote against such proposals.

### 3. Fundamentals of exercising voting rights

---

Metzler Asset Management GmbH will normally register to vote all of the shares held in the funds managed by it, irrespective of how it plans to vote. Metzler Asset Management GmbH will vote against proposed resolutions that it opposes. In case of doubt or insufficient transparency regarding the issue, Metzler Asset Management GmbH will abstain.

If conflicts of interest should arise for Metzler Asset Management GmbH on particular voting points, the firm will abstain from voting on these points. Such conflicts of interest may arise both from the activity of Metzler Asset Management GmbH as an AIF/UCITS management company in Germany and from the activities of other Metzler Group companies.

In all other respects, Metzler Asset Management GmbH will always perform a cost-benefit analysis for the exercise of voting rights. For example, if exercising voting rights were to involve excessive effort or disproportionately high costs, Metzler Asset Management GmbH would refrain from exercising these voting rights.

Metzler Asset Management GmbH will in principle exercise voting rights even for mandates with outsourced portfolio management. In individual cases, however, when specially requested by an investor or an external investment manager, the exercise of voting rights may be assigned to that external investment manager. Any resulting additional costs to the investor or the investment manager shall be regulated in individual contracts.

As a rule, Metzler Asset Management GmbH does not coordinate the exercise of its voting rights with other shareholders of the company.