

MAPFRE AM



VOTING POLICY
MAPFRE ASSET MANAGEMENT, SGHC, S.A.

1. Regulatory framework and scope of application

International initiatives aimed at encouraging institutional investors' engagement in the affairs of the companies they invest in to foster their participation in the good corporate governance of their investees have resulted in a series of regulations (including Directive 2017/828 of the European Parliament and of the Council of 17 May 2017) that directly affect the activities of MAPFRE ASSET MANAGEMENT, SGIIC, S.A. (the Company).

The Company has approved this Policy, which scope is the exercise of voting rights by any of its customers (both the collective investment institutions which assets are managed by the Company and individual entities with which it has entered into discretionary portfolio management arrangements), irrespective of the countries where investments have been made.

This is yet another step forward on the path of Corporate Social Responsibility, which more recently has come to be known as Sustainability. MAPFRE started down this path on 10 June 1965, when this concept was first unveiled in its Articles of Association.

2. General principles

The measures and procedures to be implemented by asset management companies include monitoring corporate activities and ensuring that voting rights are exercised in consonance with its clients' goals and with the investment policies arranged with them, enabling as well any voting-related conflicts of interest to be suitably handled.

Active involvement in the decisions taken by the AGMs of the companies included in its clients' portfolios is implemented by exercising voting rights at those meetings and is an inherent part of the Company's management of its clients' investments.

As a general principle, voting at AGMs by MAPFRE AM will be imbued with the spirit of the Principles for Responsible Investment (PRIs), which MAPFRE has signed.

Two of the fundamental principles guiding investment management by MAPFRE AM have been instrumental when drawing up this policy:

III. Placing clients' interests above all other considerations.

IV. Creating long-term value, and when investing choosing companies that share our approach to long-term value creation.

Adhering to Environmental, Social, and Governance (ESG) criteria is basic to putting both these principles into practice. Accordingly, not only are sustainable investment criteria followed, they are an essential component of the management company's decision-making process and the Risk Committee's subsequent review of those decisions.

Voting rights will be exercised in accordance with standard, consistent criteria, though allowing for the requisite flexibility and possible exceptions, to be assessed on a case-by-case basis and ratified by the Risk Committee.

Voting rights may be exercised remotely or by attending to the Annual General Meetings in person. Voting rights may be exercised remotely by either of two mechanisms:

1. By means of the attendance card for the AGM issued by the depositary. Cards will be returned to the company when they have been marked with the votes cast, decided in accordance with this policy, and have been signed by the managers. The companies will be asked to certify that the right to vote has been exercised and how the votes were cast.
2. By using a service provider that will keep a record that voting was exercised and of how the votes were cast.

3. Management of Conflict of Interest

MAPFRE AM's activity as an investment manager does not predispose it to prospective conflicts of interest when voting at General Meetings.

The Company has a Conflict of Interest Policy in place, and all its employees (especially the employees that manage investments) are required to be familiar with that policy and to comply with it in the performance of their duties. Specific procedures for averting and/or properly managing conflicts of interest exist, and they prescribe how the Company and the persons concerned will proceed, how conflicts are monitored, and reporting to management.

The principles on which MAPFRE AM's Conflict of Interest Policy are based bear closely on the exercise of voting rights by investment managers and include:

- (vi) The clients' interests will prevail over those of the Company in all cases.
- (vii) Should a conflict of interest that cannot be suitably managed arise, the underlying situation will be circumvented or clients will be informed so that they may take the appropriate decisions.
- (viii) Voting rights afforded by certain mechanisms will be exercised solely on behalf of the CIIs and their share or unit holders. For other clients, the provisions of the agreements signed with those clients will apply, and whatever actions are taken will in all cases be solely for the benefit of the client.
- (ix) The Company is physically, hierarchically, and functionally separate from other entities in the MAPFRE Group, and information barriers are in place to prevent or control information exchanges. Separate areas have been erected to prevent the flow of privileged or non-public information among the entities in the MAPFRE Group.
- (x) The Company has implemented measures to prevent or restrict the opportunity for someone to influence improperly how an Affected Person performs his or her portfolio management duties.