NOMURA

Nomura Asset Management Europe KVG mbH

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Principles governing the exercise of voting rights

Nomura Asset Management Europe KVG mbH (hereinafter referred to as ”NAM EU”) has the fiduciary duty (a duty to manage our business activities in the best interest of our clients) to do our best to enhance returns for our clients as an investment manager. To fulfil our duties as well as our role, we will encourage investee companies to realize appropriate management practices (including initiatives directed at ESG issues) and thereby encourage them to enhance corporate value and achieve sustainable growth by engaging with them and exercising our proxy voting rights in a proper manner based on this Policy we have established. We also encourage investee companies to operate their businesses in the best interests of their shareholders over the long term through our proper proxy voting activity.

I. General Principles

NAM EU acts in accordance with the following principles in the exercise of voting rights:

(1) Shareholders’ and creditors’ rights in investment funds are in principle exercised independently of instructions from and interests of third parties (e.g. custodian banks, affiliated companies and persons, other investors) and exclusively in the interests of the investor and the integrity of the market.

(2) Shareholders’ and creditors’ rights are exercise exclusively in accordance with the investment goals and the investment policy of the investment fund in question.

(3) The independent nature of the exercise of voting rights also applies to recommendations from investors of a special AIF.

(4) Voting rights of funds with the same interests are in principle exercised as a bundle. In rare cases, a situation may arise where the interests of different funds differ from one another. These different interests are taken into account in the voting activity of NAM EU.

(5) Before each forthcoming annual shareholders’ meeting, NAM EU decides anew whether the exercise of voting rights will be undertaken by NAM EU or whether the custodian bank (or a proxy voting agency) is to be authorised to exercise the voting rights. NAM EU does not grant permanent proxy vote authorisations.

(6) If an authorisation is given, special care is taken to ensure the independence of the voting proxy from third party interests (including those of NAM EU and of the company whose securities are subject to execution of voting rights) as well as the absence of contradicting interests.

(7) If the custodian bank or a proxy voting agency is authorised to exercise the voting right, NAM EU will, if necessary, issue concrete binding instructions for each agenda item of the annual shareholders' meeting.

(8) NAM EU may be unable to vote or may decide to abstain from voting in certain circumstances. The following list, although not exhaustive, highlights some potential instances in which a proxy may not be voted:

a) Expected Benefits

NAM EU bases its decision on whether the voting rights are to be exercised for an investment fund on an assessment of the expected benefits for the investors. The exercise of a voting right can, for instance, be waived in case of securities held in low volumes, when the exercise of the voting right would represent a disproportionate cost burden for the fund (and thus also for the investor).

b) Companies Domiciled Abroad

Voting rights are generally exercised for all domestic companies. Due to economic considerations, the exercise of voting rights for companies domiciled abroad takes place only in justified cases, e.g. if the exercise is agreed with all investors of a fund.

c) Securities Lending

When securities are offered for loan as of the record date of exercising a proxy vote, they need to be collected before exercising the vote. We may not exercise a proxy vote after considering the practical implications of such an exercise and the cost incurred for collecting such securities.

d) Share Blocking

Some countries and regions require shareholders to deposit their shares with a designated depository during a specific period shortly before a shareholders' meeting as a condition for exercising a proxy vote. Shares cannot be sold during this blocking period. In such a case, we may not exercise the proxy vote due to practical considerations and the potential for opportunity loss.

e) Re-registration

In some countries and regions, re-registration of shares is required to exercise a proxy vote. We may choose not to exercise a proxy vote in consideration of the fact that the shares cannot be sold during the re-registration period.

f) Other

For example, when we are unable to obtain adequate information, e.g. if the period between receipt of the resolutions and the exercise of voting is insufficient. Also, if the cost of voting the proxy outweighs the possible benefit to the client, we may also choose not to exercise the proxy vote.

(9) For individual AIFs, NAM EU can agree with the investors that another voting policy (e.g. the voting policy of the investor) shall apply instead of this Voting Policy.

(10) NAM EU conducts business in good faith and consider the fair treatment of our clients, and we appropriately manage conflicts of interest based on our "Handling Conflicts of Interest Policy." To manage the risk of a conflict of interest arising, NAM EU conducts business in an appropriate manner by giving first priority to the clients' interests. With regard to proxy voting, the responsible staff in the Fund Administration & Controlling team who are independent of the investment division, is in charge of proxy voting decisions based on this Policy. In cases where NAM EU exercises proxy voting rights for securities issued by Group Companies and subsidiaries or affiliates of Nomura Holdings Inc., and/or concerning the Group Companies' interests, after making such facts clear, NAM EU informs NAM TK´s Responsible Investment Committee which may refer to opinions from multiple proxy advisors. NAM TK´s Responsible Investment Committee will then makes recommendation to NAM EU and NAM EU shall make the final decision to protect the clients' interests.

II. Proxy Voting Guidelines

Global Proxy Voting Guidelines	***Proxy Voting Guidelines for North America and Europe***
A. Proxy Voting Guidelines	A. Proxy Voting Guidelines
When exercising proxy voting rights, we will vote for resolutions that are deemed to enhance shareholder value, while voting against those that are deemed harmful to shareholder value. We do not exercise our proxy voting rights solely as a means to address specific social or political issues, irrespective of the investment returns of the company.	When exercising proxy voting rights, we will vote for resolutions that are deemed to enhance shareholder value, while voting against those that are deemed harmful to shareholder value. We do not exercise our proxy voting rights solely as a means to address specific social or political issues, irrespective of the investment returns of the company.
When making a judgment on the exercise of proxy voting rights, we regard any misconduct, violation of laws and regulations and rules of stock exchanges, or any act that is deemed questionable in view of initiatives directed at ESG issues or social norms, as being harmful to shareholder value.	When making a judgment on the exercise of proxy voting rights, we regard any misconduct, violation of laws and regulations and rules of stock exchanges, or any act that is deemed questionable in view of initiatives directed at ESG issues or social norms, as being harmful to shareholder value.
(Note) ESG refers to environment, social and corporate governance. We place emphasis on ESG issues, as they need to be considered in the context of corporate social responsibility and sustainability.	(Note) ESG refers to environment, social and corporate governance. We place emphasis on ESG issues, as they need to be considered in the context of corporate social responsibility and sustainability.
We closely examine voting resolutions that meet one or more of the conditions listed below. Where we believe that a specific resolution is not in the best interest of shareholders, we will, in principle, decide to vote against the resolution.	We closely examine voting resolutions that meet one or more of the conditions listed below. Where we believe that a specific resolution is not in the best interest of shareholders, we will, in principle, decide to vote against the resolution.
(1) The company continuously reports sluggish business performance. Sluggish business performance indicators that are considered when judging the exercise of proxy voting rights, include performance that leads to a significant decline in the investment returns of the company, such as recording a deficit for three consecutive years. Business performance is based on consolidated accounts. However, if consolidated accounts are not reported, business performance is based on nonconsolidated accounts. (The same shall apply hereafter.)	(1) The company continuously reports sluggish business performance. Sluggish business performance indicators that are considered when judging the exercise of proxy voting rights, include performance that leads to a significant decline in the investment returns of the company, such as recording a deficit for three consecutive years. Business performance is based on consolidated accounts. However, if consolidated accounts are not reported, business performance is based on nonconsolidated accounts. (The same shall apply hereafter.)
(2) The company accumulates a large amount of excess funds that are deemed not to be used effectively and/or are not distributed to shareholders adequately.	(2) The company accumulates a large amount of excess funds that are deemed not to be used effectively and/or are not distributed to shareholders adequately.
(3) The company's disclosure is considered inadequate and harmful to shareholder value.	(3) The company's disclosure is considered inadequate and harmful to shareholder value.
(4) The auditor's opinion on the issuer is qualified.	(4) The auditor's opinion on the issuer is qualified.
(5) The composition and/or size of the company's board of directors, or the composition and/or size of its board of statutory auditors, audit committee	(5) The composition and/or size of the company's board of directors, or the composition and/or size of its board of statutory auditors, audit committee

or any other committee is deemed to be inadequate and may harm shareholder value. (6) Extraordinary resolutions that are deemed highly likely to harm shareholder value.	or any other committee is deemed to be inadequate and may harm shareholder value. (6) Extraordinary resolutions that are deemed highly likely to harm shareholder value.
B. Positions on Specific Issues	B. Positions on Specific Issues
(1) Election of Directors The board of directors is expected to consist of a diverse range of persons who are qualified for the position with sufficient skills and experience and the capability to supervise the execution of the business on behalf of shareholders. If the company is found to have engaged in any activity that is materially harmful to shareholder value, or if the company's business performance remains sluggish over a long period, or if any similar issue is found with regard to the company, we will in principle vote against the election of directors who are deemed to be responsible for such issues/activities.Also, if the investee company had been encouraged by us to address the inadequacy in its initiatives to realize appropriate management practices pointed out by us through engagement but failed to engage adequately in initiatives and is not expected to make improvements, and if this is deemed to be hindering, or highly likely to hinder in the medium/long run, the enhancement of corporate value and sustainable growth, we will in principle vote against the election of directors who are deemed to be responsible for such inadequacy. In principle, we vote for the election of outside directors. However, we pay special attention to the directors' qualifications, such as their independence. We determine the independence of the outside directors from a comprehensive perspective on whether they are representatives of major shareholders, have received a large amount of income other than executive remuneration from the company in question, and are related to other executive members. The number of directors should be adequate and appropriate considering the nature of the company's business and its scale.	(1) Election of Directors The board of directors is expected to consist of a diverse range of persons who are qualified for the position with sufficient skills and experience and the capability to supervise the execution of the business on behalf of shareholders. If the company is found to have engaged in any activity that is materially harmful to shareholder value, or if the company's business performance remains sluggish over a long period and little remedial effort is apparent, or if any similar issue is found with regard to the company, we will in principle vote against the election of directors who are deemed to be responsible for such issues/activities. In principle, we vote for the election of outside directors. However, we pay special attention to the directors' qualifications, such as their independence. We determine the independence of the outside directors from a comprehensive perspective on whether they are representatives of major shareholders, have received a large amount of income other than executive remuneration from the company in question, and are related to other executive members. The number of directors should be adequate and appropriate considering the nature of the company's business and its scale. 1.1. As a general objective we would like to see greater investor representation on company boards and will vote in favour of resolutions that support this. 1.2. If the company in question has recorded a current net loss for the last 3 consecutive fiscal years, we will in principle vote against the re-appointment of a director who has been in the position of director for the past 3 consecutive fiscal years or longer. Or, 1.3. If total shareholder return is no more than the median value for the industry for the last 3 consecutive fiscal years and no efforts for management improvement have been demonstrated (see "i" and "ii"

	below), we will in principle vote against the re-appointment of a director who has been in the position of director for the past 3 consecutive fiscal years or longer. i. The ordinary profit (if no ordinary profit is reported, pretax profit; hereinafter the same applies) for the last fiscal year or the current net profit has increased compared with the previous fiscal year. ii. The ordinary profit for the last fiscal year or the current net profit has increased compared with 3 fiscal years ago. 1.4. If any inappropriate information disclosure is made, if shareholder value is decreased due to management, financial or capital strategies, or if any other conduct that clearly damages shareholder value is committed, we will in principle vote against the appointment of a director who is found to be responsible for the conduct. Note: If the disclosure of financial information was delayed and it becomes difficult to make a determination on resolutions, it will be deemed that the information disclosure was inappropriate. It is desirable that necessary financial information is disclosed at least 1 month prior to the day of the shareholders' meeting. 1.5. In cases where decisions made by the board or committees are deemed inappropriate, we will in principle vote against the appointment of all or some members of directors, or all or some members of relevant committees. Such decisions includes compensation, nomination and audit related topics, anti-takeover measures, governance structure, response to shareholder concerns, governance failure and other problematic governance practices. 1.6. We will request that independent persons should be appointed as non-executive directors. If the number of directors is less than one-third or the number of independent directors/overall board independence does not meet the criteria determined by the code / best practice applied in the relevant market, then we will vote against non-independent directors who are up for election. Note: “Independent person" refers to a person who is designated as a non-executive director and has no material relationship to the company other than as being a non-executive director. 1.7. If the overall board diversity does not meet the criteria determined by the code / best practice applied in the relevant market, then we will vote against the chair of the nominating committee.

	1.8. In cases where the remuneration plan is deemed inappropriate, we generally vote against say on pay / remuneration report proposals. If the company fails to address the issues raised by shareholders' negative votes on the say on pay /remuneration report proposals, we may vote against directors who are members of the remuneration committee on the following year. 1.9. If there are concerns on board and committee attendance for the incumbent board members for the markets that require disclosure on attendance issues, we may vote against reappointment of nominees with attendance concerns 1.10. We favour the separation of CEO and chair of the board of directors roles, and as such we will in principle vote against any proposal that will combine the CEO and chair of the board of directors roles.
(2) Election of Auditors Auditors are expected to be qualified to audit the business on behalf of shareholders, and are also expected to function adequately for that purpose. Where the company is found to have engaged in any activity that is materially harmful to shareholder value or if any similar issue is found with regard to the company in question, and an auditor is found responsible for any part thereof, or is deemed to have failed to fully perform his/her duties, we will vote against the reelection of the auditor. It is desirable that outside auditors are independent of management. It is not desirable to have a board of statutory auditors and an audit committee composed of outside auditors, all of whom lack independence. We determine the independence of the outside auditors from a comprehensive perspective on whether they are representatives of major shareholders, have received a large amount of income other than executive remuneration from the company in question, and are related to other executive members. Where a reduction in the number of auditors is proposed, there should be proper justification for such a reduction.	(2) Election of Auditors Auditors are expected to be qualified to audit the business on behalf of shareholders, and are also expected to function adequately for that purpose. Where the company is found to have engaged in any activity that is materially harmful to shareholder value or if any similar issue is found with regard to the company in question, and an auditor is found responsible for any part thereof, or is deemed to have failed to fully perform his/her duties, we will vote against the reelection of the auditor. It is desirable that outside auditors are independent of management. It is not desirable to have a board of statutory auditors and an audit committee composed of outside auditors, all of whom lack independence. We determine the independence of the outside auditors from a comprehensive perspective on whether they are representatives of major shareholders, have received a large amount of income other than executive remuneration from the company in question, and are related to other executive members. Where a reduction in the number of auditors is proposed, there should be proper justification for such a reduction.
(3) Election of Accounting Auditors In principle, we will vote for the election of accounting auditors except where it is found that:	(3) Election of Accounting Auditors In principle, we will vote for the election of accounting auditors except where it is found that:

○ The accounting auditor has an interest in the company and lacks independence. ○ Excessive non-audit remuneration has been paid to the accounting auditor by the company. ○ The accounting auditor has expressed inaccurate opinions on the company's financial conditions.	○ The accounting auditor has an interest in the company and lacks independence. ○ Excessive non-audit remuneration has been paid to the accounting auditor by the company. ○ The accounting auditor has expressed inaccurate opinions on the company's financial conditions.
(4) Executive Remuneration It is desirable that executive remuneration plans are reasonable and are aligned with the long-term performance of the company. We vote against remuneration plans, if the company is found to have engaged in any activity that is materially harmful to shareholder value, or the amount of remuneration is inconsistent with or inequitable compared to the company's overall financial condition, or plans are deemed to substantially harm shareholder value. In particular, we will vote against resolutions on executive bonuses when there is a significant decline in business performance, or when the bonus payment amount is found to be unreasonably large in relation to past achievements and the current financial conditions of the company, or as compared with other competitors. In particular, we will vote against resolutions on offering company stocks (including stock options) when there is a significant decline in business performance, or when the value of stock remuneration is found to be unreasonably high in view of past achievements and the current financial conditions of the company, or as compared with other competitors. In principle, we vote for stock remuneration plans when the terms and conditions of the plan, such as eligibility and scale, are properly set forth for the purpose of incentivizing executives. However, we vote against such plans when the terms and conditions of the plan, including eligibility and scale, are deemed to be improper. We will determine whether to vote for or against resolutions on the granting of stock remuneration to the company's employees or outside parties by applying mutatis mutandis the rules on stock remuneration plans for executives mentioned above. We will require sufficient explanation on stocks offered to outside parties in light of whether it leads to the enhancement of shareholder value.	(4) Executive Remuneration It is desirable that executive remuneration plans are reasonable and are aligned with the long-term performance of the company. We vote against remuneration plans, if the company is found to have engaged in any activity that is materially harmful to shareholder value, or the amount of remuneration is inconsistent with or inequitable compared to the company's overall financial condition, or plans are deemed to substantially harm shareholder value. a) If the company in question has recorded a current net loss for the last 3 consecutive fiscal years, we will in principle vote against the executive remuneration unless the poor financial performance is clearly reflected in the remuneration. Allowance should be made for new management. Or, b) If total shareholder return is no more than the median value for the industry for the last 3 consecutive fiscal years and no efforts for management improvement have been demonstrated (see "i" and "ii" below), we will in principle vote against the executive remuneration, unless the poor financial performance is clearly reflected in the remuneration. Allowance should be made for new management. i. The ordinary profit (if no ordinary profit is reported, pretax profit; hereinafter the same applies) for the last fiscal year or the current net profit has increased compared with the previous fiscal year. ii. The ordinary profit for the last fiscal year or the current net profit has increased compared with 3 fiscal years ago. c) If any serious misconduct is committed, we will in principle vote against an increase of executive remuneration, unless a satisfactory explanation is made and remediation is underway.

	In particular, we will vote against resolutions on executive bonuses when there is a significant decline in business performance, or when the bonus payment amount is found to be unreasonably large in relation to past achievements and the current financial conditions of the company, or as compared with other competitors. d) If any serious misconduct is committed, we will in principle vote against the resolution. e) We will in principle vote against the resolution, if the amount of the executive remuneration is found to be significantly imbalanced compared with the level of business performance (see 3.4a and 3.4b above). f) We prefer to see return on capital metrics used in bonus award calculations so will tend to vote against excessive or large bonus payouts in which neither a return on capital nor TSR component is a feature of the executive objectives. In particular, we will vote against resolutions on offering company stocks (including stock options) when there is a significant decline in business performance, or when the value of stock remuneration is found to be unreasonably high in view of past achievements and the current financial conditions of the company, or as compared with other competitors. In principle, we vote for stock remuneration plans when the terms and conditions of the plan, such as eligibility and scale, are properly set forth for the purpose of incentivizing executives. However, we vote against such plans when the terms and conditions of the plan, including eligibility and scale, are deemed to be improper. We will determine whether to vote for or against resolutions on the granting of stock remuneration to the company's employees or outside parties by applying mutatis mutandis the rules on stock remuneration plans for executives mentioned above. We will require sufficient explanation on stocks offered to outside parties in light of whether it leads to the enhancement of shareholder value. g) We will in principle vote against resolutions on grants of stock options which will result in material dilution of the issued shares.
(5) Retirement Bonus for Directors and Auditors We will vote against resolutions on retirement bonuses for retiring executives when the company is found to have engaged in any activity that is materially harmful to shareholder value, or when there is a significant decline in business performance or share price, or when the amount of the	(5) Retirement Bonus for Directors and Auditors We will generally vote against retirement bonuses – the director has already been rewarded for the contribution made.

retirement bonus payment is found to be unreasonably large considering past achievements and the current financial conditions of the company, or as compared with other competitors.	
(6) Allocation of Dividends and Profits In deciding on distributions to its shareholders, the company should ensure that such distributions are consistent with its long-term investment plan and capital policies. In principle, it is desirable that excess funds are distributed to shareholders. While considering whether the company's allocation of dividends and profits is consistent with its long-term investment plan and capital policies, we shall vote against allocation policies that are deemed to be significantly inadequate and harmful to shareholder value.	(6) Allocation of Dividends and Profits In deciding on distributions to its shareholders, the company should ensure that such distributions are consistent with its long-term investment plan and capital policies. In principle, it is desirable that excess funds are distributed to shareholders. therefore where a cash-rich company is not adequately distributing to shareholders we will vote against the resolution. Note: We define cash-rich as: - Net financial assets / Total assets > 30% Note: Net financial assets = Cash and deposits + Long- or short-term securities – Interest-bearing liabilities While considering whether the company's allocation of dividends and profits is consistent with its long-term investment plan and capital policies, we shall vote against allocation policies that are deemed to be significantly inadequate and harmful to shareholder value.
(7) Acquisition of the Company's Own Stock While we view the acquisition of the company's own stock positively as a means to enhance shareholder value, we would oppose such a resolution when it is deemed to be inappropriate for the sake of the company's capital structure.	(7) Acquisition of the Company's Own Stock While we view the acquisition of the company's own stock positively as a means to enhance shareholder value, we would oppose such a resolution when it is deemed to be inappropriate for the sake of the company's capital structure.
(8) Change in Number of Authorized Shares When said purposes are inappropriate, NAM will in principle vote against a company's proposed increase in the number of authorized shares.	(8) Change in Number of Authorized Shares When said purposes are inappropriate, NAM will in principle vote against a company's proposed increase in the number of authorized shares.
(9) Issuance of Preferred and Other Classes of Shares We will in principle vote for resolutions if the purpose is deemed to be clear and appropriate, and the issuance of such shares is deemed not to harm the interests of general shareholders in consideration of appropriate application requirements, the fairness of voting rights, beneficiaries and	(9) Issuance of Preferred and Other Classes Shares We will in principle vote for resolutions if the purpose is deemed to be clear and appropriate, and the issuance of such shares is deemed not to harm the interests of general shareholders in consideration of appropriateness of application requirements, the fairness of voting rights, beneficiaries and

other relevant matters. Otherwise, we would oppose the resolution in principle.	other relevant matters. Otherwise, we would oppose the resolution in principle.
(10)Corporate Restructuring and Capital Policy (Mergers, Acquisitions, Sale/Transfer of Business, Corporate Separation, Capital Increase, etc.) We will vote for proposed corporate restructuring and capital policies, if they are deemed appropriate after considering the contents of the respective resolutions, financial conditions (including premiums), effects on shareholder value, basis and rationality of management judgment, fair disclosure, etc., from an overall perspective. Otherwise, we would oppose the resolutions. When general shareholders receive a consideration, whether in the form of shares, money or otherwise, in relation to corporate restructuring or capital policy, we would emphasize the appropriateness of the consideration when forming a judgment on whether to vote for or against the resolutions.	(10)Corporate Restructuring and Capital Policy (Mergers, Acquisitions, Sale/Transfer of Business, Corporate Separation, Capital Increase, etc.) We will vote for proposed corporate restructuring and capital policies, if they are deemed appropriate after considering the contents of the respective resolutions, financial conditions (including premiums), effects on shareholder value, basis and rationality of management judgment, fair disclosure, etc., from an overall perspective. Otherwise, we would oppose the resolutions. When general shareholders receive a consideration, whether in the form of shares, money or otherwise, in relation to corporate restructuring or capital policy, we would emphasize the appropriateness of the consideration when forming a judgment on whether to vote for or against the resolutions.
(11)Anti-Takeover Measures We individually analyze anti-takeover measures. We would oppose such resolutions unless shareholder value is protected.	(11)Anti-Takeover Measures We individually analyze anti-takeover measures. We would oppose such resolutions unless shareholder value is protected.
(12)Amendment of Articles We will determine whether to vote for or against resolutions on amendments to the articles of incorporation on a case by case basis from the perspective of the longterm enhancement of shareholder value or the protection of shareholder value from impairment. We will vote for (against) such resolutions if we find them appropriate (inappropriate) from these perspectives.	(12)Amendment of Articles We will determine whether to vote for or against resolutions on amendments to the articles of incorporation on a case by case basis from the perspective of the longterm enhancement of shareholder value or the protection of shareholder value from impairment. We will vote for (against) such resolutions if we find them appropriate (inappropriate) from these perspectives
(13)Shareholder Resolution We will determine whether to vote for or against shareholder resolutions on a case by case basis from the perspective of long-term enhancement of shareholder value or the protection of shareholder value from impairment. We will vote for (against) such resolutions if we find them appropriate (inappropriate) from these perspectives.	(13)Shareholder Resolution We will determine whether to vote for or against shareholder resolutions on a case by case basis from the perspective of long-term enhancement of shareholder value or the protection of shareholder value from impairment. We will vote for (against) such resolutions if we find them appropriate (inappropriate) from these perspectives. In particular we would

	favour transparency on lobbying activity, DE&I, environmental/emissions targets (such as Science Based Targets) and current Scope 3 emissions. a) We favour greater and increased transparency and equality in our invested companies. b) We favour increased disclosure on ESG related issues. c) In principal we favour that Environmental and/or Social factors to be incorporated to the remuneration drivers for senior management/CEO. d) We generally do not support resolutions that entail a retrograde step in ESG issues, including but not limited to emissions, waste, spillages, diversity, equal opportunities, community impacts and corruption. Therefore we will vote appropriately (respectively for or against) to support greater transparency, disclosure and progression with regards to better environmental and social related practices. Our voting will be on a case by case basis, and where there is evidence that a bureaucratic burden could be created we will carefully consider whether to support the resolution.
(14)Other NAM will determine whether to vote for or against resolutions on any other issues on a case by case basis from the perspective of the long-term enhancement of shareholder value or the protection of shareholder value from impairment. We will vote for (against) such resolutions if we find them appropriate (inappropriate) from these perspectives.	(14)Other NAM will determine whether to vote for or against resolutions on any other issues on a case by case basis from the perspective of the long-term enhancement of shareholder value or the protection of shareholder value from impairment. We will vote for (against) such resolutions if we find them appropriate (inappropriate) from these perspectives. We favour increased transparency and equality in our invested companies. Therefore we will vote appropriately (respectively for or against) to support greater transparency, disclosure and progression with regards to better environmental and social related practices. Our voting will be on a case by case basis, and where there is evidence that a bureaucratic burden could be created we will carefully consider whether to support the resolution.

Proxy Voting Guidelines for Japanese Companies
NAM EU applies the following guidelines in the exercise of voting rights specifically for investee companies that are listed in Japan.

Companies are expected to provide general shareholders with a thorough and easy-to-understand explanation in their business reports, reference documents for shareholders' meetings and other materials to allow them to make proper judgments on the exercise of their voting rights with sufficient understanding of the contents of respective issues and management status.

Positions on Specific Issues

1. Election of Directors

The board of directors is expected to function as a monitoring board whose main role and responsibility is to supervise management execution. These Proxy Voting Standards set forth below the minimum requirements that a monitoring board should satisfy and define the board of directors of a company as a monitoring board if the company satisfies all these requirements:

① The number of directors is 5 or more, but less than 20;

② Outside directors account for the majority of the board of directors;

③ A statutory or voluntary nomination / remuneration committee chaired by an outside director has been established, and outside directors account for the majority of it;

④ Female directors account for at least 10% of directors;

⑤ The company has not introduced an anti-takeover measure;

⑥ The company does not hold an excessive amount of strategically held stocks (Note);

⑦ In the case of a company with a board of auditors, the term of office of a director is one year; and

⑧ If there is a controlling shareholder, the board of directors is chaired by an outside director.

(Note) "Does not hold an excessive number of strategically held stocks" means strategically held stocks held by a company account for less than 25% of its net assets if the company is a financial institution and 10% of its invested capital if the company is a company other than a financial institution. In this context, the term "financial institution" is defined as a company that falls under "Banks," "Securities and Commodities Futures," "Insurance," or "Other Financing Business" in the 33 industry sectors defined by the TSE, the term "strategically held stocks" is defined as shares held not solely for investment purposes as per the annual securities report for the previous fiscal year, and the term "invested capital" is defined as the total amount of net assets and interest-bearing debt stated in the consolidated financial statements (or non-consolidated financial statements if consolidated financial statements are not prepared) presented in the same annual securities report.

We also prescribe the following definitions concerning governance on nomination and remuneration, which is particularly important in the supervision of management execution:

"Effective governance on nomination is established" means a situation in which a statutory or voluntary nomination committee has been established, its members include two or more outside directors, and the number of inside directors among the members is fewer than the number of outside directors among the members.

“Effective governance on remuneration is established” means a situation in which a statutory or voluntary remuneration committee has been established, its members include two or more outside directors, and the number of inside directors among the members is fewer than the number of outside directors among the members.

(1) If the company is found to have engaged in any activity that is materially harmful to shareholder value and if an individual person is found to be responsible for such activity, we will vote against the election of the relevant person as a director.

When making a judgment on the exercise of proxy voting rights, we regard any misconduct, violation of laws and regulations and rules of stock exchanges, or any act that is deemed questionable in view of initiatives directed at ESG issues or social norms, as being harmful to shareholder value.

(Note) ESG refers to environment, social and corporate governance. We place emphasis on ESG issues, as these need to be addressed in the context of corporate social responsibility and sustainability.

(2) If the investee company had been encouraged by us to address the inadequacy in its initiatives to realize appropriate management practices (including initiatives directed at ESG issues) pointed out by us through engagement but failed to engage adequately in initiatives and is not expected to make improvements, and if this is deemed to be hindering, or highly likely to hinder in the medium/long run, the enhancement of corporate value and sustainable growth, the matter will be escalated to the exercise of voting rights, and we will in principle vote against the re-election of a director who has been in the position of chairperson and president, etc.

In these Proxy Voting Standards, “chairperson and president, etc.” refers to the chairperson, president, bank president, chief executive officer (CEO), and any person who assumes a position equivalent thereto.

(3) In particular, we expect those companies whose stocks are constituents of TOPIX 100 to become role models for other Japanese companies by actively working to realize “appropriate management practices.” At any shareholders' meetings held in and after November 2024, we will in principle vote against the reelection of a director who has been in the position of chairperson and president, etc., if we determine that the following efforts in particular are clearly insufficient:

①Information disclosure that integrates ESG issues: To disclose information in appropriate media, including integrated report, in accordance with internationally accepted standards and to obtain third party assurances for numerical data as much as possible;

②Climate change: To set medium- to long-term net-zero targets for GHG emissions and obtain SBT certification and to clarify risks and business opportunities associated with climate change through information disclosure based on the TCFD Final Report; and

③Outside directors with effective skills: To disclose a skills matrix of directors in materials for shareholders' meeting to indicate that outside directors have relevant skills and experience, including those in the areas of management, finance, and ESG.

(4) If the return on equity (ROE) of the company in question has been below 5% and below the 33rd percentile of the industry for the most recent 3 consecutive fiscal years, except in cases where the board of directors is a monitoring board and efforts for management improvement have been demonstrated, we will in principle vote against the re-election of a director who has been in the position of chairperson and president, etc., for the most recent 3 or more consecutive fiscal years. However, this provision does not apply to a company which has not been listed for 5 years as of the last day of the most recent fiscal year.

In these Proxy Voting Standards, financial data principally refers to data published on a consolidated basis. If no financial data on a consolidated basis has been published, the data on a non-consolidated basis shall be used (the same applies hereinafter).

The “minimum level” of ROE shall be as follows:

・In the case of a cash-rich company, the minimum level shall be the lower of 8% and the 50th percentile of the industry.

・In the case of a non-cash-rich company, the minimum level shall be the lower of 5% and the 33rd percentile of the industry.

A “cash-rich company” is a company that satisfies all the criteria listed in ①, ②, and ③ below for the most recent 2 consecutive fiscal years:

① Shareholders' equity ratio > 50%

② Net financial assets / Sales > 30%

③ Net financial assets / Total assets > 30%

(Note) Net financial assets = Cash and deposits + Long- or short-term securities and deposits paid – Interest-bearing liabilities (excluding long- and short-term securities and deposits paid for financial institution).

“50th percentile and33rd percentile of the industry” is obtained from listed companies that are constituents of TOPIX (Tokyo Stock Price Index), and is based on the 33 industrial classifications of the Tokyo Stock Exchange. If the calculated value is below 0%, it is 0%. The phrase “cases where... efforts for management improvement have been demonstrated” refers to any cases falling under either ① or ② below. However, both ① and ② exclude cases where the total of net profits reported during the most recent 3 consecutive fiscal years is a negative figure.

① Recurring profit (if no recurring profit is reported, pretax profit; hereinafter the same applies) for the last fiscal year or the net profit has increased compared with the previous fiscal year.

② Recurring profit for the last fiscal year or the net profit has increased compared with 3 fiscal years ago.

(5) In any of the following cases, we will in principle vote against the re-election of a director who has been in the position of chairperson and president, etc.:

①Strategically held stocks held by a financial institution account for more than 50% of its net assets or if strategically held stocks held by a company other than a financial institution account for more than 20% of its invested capital, or

②With regard to the appropriation of surpluses or the introduction or renewal of anti-takeover measures resolved by the board of directors, without being proposed at a shareholders' meeting, it would have been reasonable for us to vote against said appropriation of surpluses measures or introduction or renewal of anti-takeover measures pursuant to these Proxy Voting Standards if such appropriation or introduction/renewal had been presented at the shareholders' meeting.

(6) If any inappropriate information disclosure is made, if shareholder value decreases due to management, financial or capital strategies, or if any other conduct that clearly damages shareholder value is committed, we will in principle vote against the election of a director who is found to be responsible for the conduct. If the disclosure of financial information is delayed and it becomes difficult to make a judgment on the exercise of proxy voting rights, it will be deemed that the information disclosure was inappropriate. It is desirable that necessary financial information is disclosed at least 1 month prior to the day of the shareholders' meeting.
If a cash-rich company that has a parent company has extended a loan, etc. to the parent company or its group company as per the annual securities report for the previous fiscal year, the company’s shareholder value is determined to have decreased due to financial or capital strategies.

(7) If the number, the composition, or the term of office of directors falls under any of the following cases, we will in principle vote against the re-election of a director who has been in the position of chairperson and president, etc.:

①The number of directors is less than five or 20 or more;

②The number of outside directors is fewer than the minimum level.

The “minimum level” is in principle more than half the number of directors. In the case of a company without a controlling shareholder that has established effective governance on nomination, the “minimum level” is one third of the number of directors;

③The number of female directors is below the minimum level. The “minimum level” is in principle 10% of the number of directors. However, for any shareholders’ meetings held in or before October 2025, the minimum level is one female director; or

④The director’s term of office is two years in a company with a board of auditors.

(8) In these Proxy Voting Standards, independence requirements are as listed below. We will in principle vote against the election of a candidate as an outside director if the candidate fails to satisfy any of the independence requirements.

①A person whose incumbency period is less than 12 years as at the close of the shareholders′ meeting;

②A person who is notified as an independent executive to the related stock exchange. It also includes someone who is stated in a business report or reference document for a shareholders' meeting as a person expected to be nominated as an independent executive.; and

③A person who never have served with any company which is a major shareholder of the company in question during the 3-year period immediately prior to the time he/she first assumed the position as an outside director. ″Major

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shareholder” refers to a shareholder whose share holdings ratio listed in the “Top 10 Shareholders” list in the business report of the company in question for the most recent fiscal year is 10% or more; provided, however, that any person who is clearly likely to have a conflict of interest with general shareholders shall be regarded as a person who does not satisfy independence requirements.

Although a candidate to fill an outside director vacancy is not subject to the stock exchange notification as an independent director, we will request that a statement be included in the reference document for a shareholders' meeting indicating whether the candidate is expected to be notified as an independent director when he/she assumes the office of director. The statement will allow us to confirm this point. If such a statement is not contained in the document, we consider that the candidate dose not satisfy independence requirements, and we will vote against the election of the candidate.

(9) If it is obvious that outside directors failed to fully fulfill their expected roles during the most recent fiscal year, we will in principle vote against the re-election. “Expected roles of outside directors” refers to those described in Principle 4.7 of Japan’s Corporate Governance Code.

[Japan’s Corporate Governance Code Principle4.7 Roles and Responsibilities of Independent Directors]

Companies should make effective use of independent directors, taking into consideration the expectations listed below with respect to their roles and responsibilities:

i. Provision of advice on business policies and business improvement based on their knowledge and experience with the aim to promote sustainable corporate growth and increase corporate value over the mid- to long-term;

ii. Monitoring of management through important decision-making at the board including the appointment and dismissal of senior management;

iii. Monitoring of conflicts of interest between the company and management or the controlling shareholders; and

iv. Appropriately representing the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent of the management and controlling shareholders.

(10) In the case of an outside director who is expected to be re-elected, if the outside director's ratio of attendance at the board of directors meetings held over the last fiscal year is less than 75%, we will in principle vote against the re-election. In the case of a person who is expected to be re-elected as an audit committee member for a company with a nominating committee, etc., we will in principle vote against the re-election if the person's ratio of attendance at the audit committee meetings held over the last fiscal year is less than 75%; and in the case of a person who is expected to be re-elected as an audit and supervisory committee member for a company with an audit and supervisory committee, we will in principle vote against the re-election, if the person's ratio of attendance at the audit and supervisory committee meetings held in the last fiscal year is less than 75%. If the person who is expected to be re-elected has been elected as an outside director mid-way through the last fiscal year, the ratio of attendance at the board of directors meetings, audit committee meetings, and audit and supervisory committee meetings referred to above will be calculated with respect to the board of directors meetings, audit committee meetings, and audit and supervisory committee meetings held after the election as an outside director in the last fiscal year. If there is no disclosure of information necessary for the calculation of the attendance ratio, we will in principle vote against the re-election.

2. Election of Auditors

(1) If the company is found to have engaged in any activity that is materially harmful to shareholder value, we will vote against the election of auditors who are deemed to be responsible for such activity.

(2) We will in principle vote against the election of a candidate as an outside auditor if the candidate fails to satisfy any of the independence requirements (as defined in (8) under “1. Election of Directors” above).
Although a candidate for outside auditor to fill a vacancy is not subject to notification requirements to the stock exchange as an independent auditor, we will request that that a statement be included in the reference document for a shareholders' meeting indicating whether a candidate is expected to be notified as an independent auditor when he/she assumes the office of auditor. The statement will allow us to confirm this point. If such a statement is not contained in the document, we consider that the candidate does not satisfy independence requirements, and we will vote against the election of the candidate.

(3) In the case of a person who is expected to be re-elected as an outside auditor, we will in principle vote against the re-election, if either the person's ratio of attendance at the board of directors meetings held during the last fiscal year (or, if the person was elected as an outside auditor in the middle of the last fiscal year, the board of directors meetings held after the election as an outside auditor during the last fiscal year), or the person's ratio of attendance at the board of auditors meetings held during the last fiscal year (or, if the person was elected as an outside auditor in the middle of the last fiscal year, the board of auditors meeting held after the election as an outside auditor during the last fiscal year), is less than 75%. If there is no disclosure of information necessary for the calculation of the attendance ratio, we will in principle vote against the re-election.

3. Election of Accounting Auditors

In principle, we will vote for the election of an accounting firm as the company's accounting auditor except where it is found that:

- The accounting auditor has an interest in the company and lacks independence.
- Excessive non-audit remuneration has been paid to the accounting auditor by the company.
- The accounting auditor has expressed inaccurate opinions on the company’s financial conditions

4. Executive Remuneration

(1) If effective governance on remuneration is not established, we will in principle vote against the resolution.

(2) If the company is found to have engaged in any activity that is materially harmful to shareholder value, or in the case of a company whose board of directors is not a monitoring board, the ROE is below 5% for the most recent 3 consecutive fiscal years, we will in principle vote against an increase of executive remuneration and the payment of executive bonuses, unless a satisfactory explanation is made.

(3) We will in principle vote against a resolution on bonus payments to outside directors, directors who are audit committee members or directors who are audit and supervisory committee members, or statutory auditors.

(4) We will in principle vote against resolutions on offering company stocks (including stock options) as remuneration, in the following cases:

①The cumulative share dilution ratio to the total number of issued shares will exceed 10%; If the calculation period of the cumulative share dilution ratio is unknown, it is assumed to be 10 years:

②If the period until a person who receives company stocks is no longer restricted to sell them (in the case of stock options, the period from the granting of stock options until the person who are granted them is no longer restricted to sell stocks that have been acquired by exercising the stock options) is less than two years; and

③ If the persons eligible for receiving company stocks include the following persons:

i. If the board of directors is a monitoring board and such remuneration is not subject to performance achievement conditions, statutory auditors or any external parties who are found to be inappropriate to receive the stock incentive. However, even if company stocks are offered to external parties, we will vote for the resolution, if explanation is provided in an appropriate manner and it is found that the offering of company stocks as remuneration to the external parties contributes to the improvement of shareholder value; and

ii. In cases other than those referred to above, outside directors, directors who are audit committee members or directors who are audit and supervisory committee members, statutory auditors, or any external parties who are found to be inappropriate to receive the stock incentive. However, even if company stocks are offered to external parties, we will vote for the resolution, if explanation is provided in an appropriate manner and it is found that the offering of company stocks as remuneration to the external parties contributes to the improvement of shareholder value.

(5) In cases other than those referred to above, we will consider an increase of executive remuneration after giving comprehensive consideration to the reason for the change in executive remuneration, and the appropriateness of the amount of such executive remuneration, etc. We will in principle vote against the resolution, if the offering of company stocks as remuneration will give an excessive profit to specific eligible persons, or if the offering of company stocks is inappropriate or inequitable to a significant degree.

5. Retirement Bonus for Directors and Auditors

(1) If the amount is found to be unreasonably large taking into consideration the past business performance or the current financial conditions or in comparison with other companies in the same industry, etc., we will in principle vote against the resolution. Furthermore, if effective governance on remuneration is not established or if outside directors do not account for a majority of directors, we will in principle vote against the resolution.

(2) We will in principle vote against the payment of a retirement bonus to an executive who has been involved in any activity that is materially harmful to shareholder value or who is found to be responsible for serious misconduct.

(3) If the ROE is below 5% for the most recent 3 consecutive fiscal years and there is a deficit, or if the total of the current net profits during the most recent 3 fiscal years is a negative figure, we will in principle vote against the resolution.

(4) We will in principle vote against resolutions on payment to an outside director or a director of an audit committee member of companies that have a board with an audit committee structure or statutory auditors.

6. Allocation of Dividends and Profits

(1) We will in principle vote against a resolution on the appropriation of surpluses, if it is proposed by a cash-rich company whose ROE during the most recent fiscal year is below 10% unless its shareholder's return ratio is 50% or more. However, this provision does not apply to any company which has not been listed for 5 years as of the last day of the most recent fiscal year and where how surplus funds are used is clearly defined.
(Note) Shareholders' return ratio = (Dividends + Share repurchase) / Current net profit

(2) We will vote against resolutions on dividend policy or the appropriation of surpluses which are found to be harmful to shareholder value.

(3) We will vote against resolutions on the appropriation of surpluses, in any other cases where it is found that shareholders' returns are insufficient to a significant degree.

7. Acquisition of the Company's Own Stock

We will in principle vote for resolutions on the acquisition of the company's own stock.

8. Change in Number of Authorized Shares

When said purposes are inappropriate, such as in the case of a company that has introduced anti-takeover measures, we will in principle vote against a company's proposed increase in the number of authorized shares.

9. Issuance of Preferred and Other Classes Shares

We will in principle vote for resolutions if the purpose is deemed to be clear and appropriate, and the issuance of such shares is deemed not to harm the interests of general shareholders in consideration of appropriateness of application requirements, the fairness of voting rights, beneficiaries and other relevant matters. Otherwise, we would oppose the resolution in principle.

10. Corporate Restructuring and Capital Policy

(Mergers, Acquisitions, Sale/Transfer of Business, Corporate Separation, Capital Increase, etc.)

We will vote for proposed corporate restructuring and capital policy, if they are deemed appropriate in consideration of the contents of respective resolutions, the possibility of conflict of interest with minority shareholders, measures to protect the interest of minority shareholders, effects on shareholder value, basis and rationality of management judgment, financial condition (including premiums), fair disclosure, etc., from an overall perspective.

In particular, we will in principle vote against a resolution that falls under favorable issuance of shares (excluding resolutions falling under “4. Executive Remuneration (4)” above) unless an effect to enhance shareholder value is clearly indicated. However, we will in principle vote for a resolution for a third-party allotment whose purpose is to use dividend from the allotted shares to fund activities that contribute to the resolution of ESG issues if all of the following conditions are met:

①The dilution ratio of voting rights is less than 1%;

②No voting rights will be exercised on the allotted shares;

③The company has not introduced an anti-takeover measure; and

④The company does not hold strategically held stocks that fall under ″1. Election of Directors (5)①″ above.

9. Anti-Takeover Measures

We will in principle vote against a resolution that is found to set an anti-takeover measure.

11. Anti-Takeover Measures

We will in principle vote against a resolution that is found to set an anti-takeover measure.

12. Amendment of Articles

(1) In the case of a resolution under which the articles of incorporation are to be changed in order to authorize the board of directors to carry out a discretionary distribution of surplus, we will in principle vote for the resolution, if the company's appropriation of surpluses is appropriate, a distribution of surplus by a resolution of the shareholders’ meeting is not precluded, and the number of outside directors is not fewer than the minimum level prescribed in “1. Election of Directors (7)”. As used in these Proxy Voting Standards, the appropriateness of the appropriation of surpluses will be determined in accordance with the standards stipulated in “6. Allocation of Dividends and Profits.”

(2) In the case of a resolution under which an anti-takeover measure is to be prescribed in the articles of incorporation, if we should vote against the introduction of the anti-takeover measure in accordance with the standards set out in “11. AntiTakeover Measures” above, we will in principle vote against the resolution.

(3) In the case of a resolution to change the articles of incorporation in order to authorize the board of directors to add a record date for voting rights by its decision, we will vote for the resolution if the purpose of the change is clearly explained and is found to be reasonable.

(4) In the case of a resolution to change the articles of incorporation in order to increase the total number of authorized shares, we will consider whether to vote for the resolution in accordance with the standards set out in “8. Change in Number of Authorized Shares” above.

(5) In the case of a resolution to change the articles of incorporation in relation to classes of shares, we will consider whether to vote for the resolution in accordance with the standards set out in “9. Issuance of Preferred and Other Classes of Shares” above.

(6) If a change in the governing body structure of the company is proposed, we will in principle respect the opinion of the board of directors; provided, however, that we will vote against any such change that will not contribute to the improvement of corporate governance.

(7) Regarding the following amendments to the articles of incorporation, we will in principle vote against the resolution from the perspective of governance reform:

① To make the requirements for the dismissal of directors stricter

② To make the requirements for a resolution on organizational restructuring stricter or to establish additional requirements for a resolution on organizational restructuring

③ To relax quorum requirements of the shareholders′ meeting

④ To reduce or exempt the responsibilities of an accounting auditor

⑤ To set the maximum number of directors at 20 or above

⑥ To set a substantial limit on the number of outside directors or highly independent outside directors

(8) Regarding the following amendments to the articles of incorporation, we will in principle vote for the resolution from the perspective of governance reform:

① To formulate the basic policy for initiatives concerning ESG issues or to disclose risks and business opportunities concerning ESG issues (for example, disclosure in accordance with the TCFD Final Report)

② To enhance the diversity of the board of directors

③ To propose the ″separation between the chair of the board of directors and the chief executive officer (CEO)″

④ To proceed with the abolition of advisory positions such as ″Sodanyaku″ or ″Komon″ or any other similar position to be assumed by a person who is not a director

⑤ To determine that the director′s term of office is one year in a company with a board of auditors

⑥ To establish a voluntary nominating/remuneration committee in a company with a board of auditors or a company with an audit and supervisory committee

⑦ To make a company that has a listed subsidiary engage in initiatives to ensure the effectiveness of the governance system of such listed subsidiary

⑧ To enable the convocation of a virtual-only shareholders′ meeting.

13. Shareholder Resolution

(1) We will individually consider a shareholders' resolution, from the perspective of improving shareholder value on a long-term basis or preventing any deterioration in shareholder value. We will in principal vote against a resolution in which a potential conflict of interest exists between the company or a shareholder and the proposer, a resolution which is found to restrict the latitude of company management, or a resolution in which it is found that the proposer does not provide sufficient explanation about the effect to enhance shareholder value. At the time of the consideration, we will also take into account the opinion of the board of directors.

It is desirable that the shareholder proposing a resolution and the board of directors provide general shareholders with easily comprehensible and thorough explanations from their own standpoint through the perspective of shareholder value to enable them to make judgments based on proper understanding of the contents of the proposal.

(2) If a shareholders' resolution falls under one of the following items, we will in principle vote against the resolution.

① The resolution is not made from the perspective of shareholder value, and the purpose of the resolution is to make a social or political statement.

② A resolution on amendments to the articles of incorporation, when the amendments include any content related to individual and specific business execution.

③ The contents of the resolution are ambiguous and lacking concrete information, and the resolution does not satisfy the requirements for a resolution.

Therefore, on the part of a shareholder proposing a resolution, it is desirable that he/she submits a proposal with clear and specific contents which satisfy the requirements for a resolution.

On the part of the board of directors, if the contents of the resolution are ambiguous and lack concrete information and the resolution does not satisfy the requirements for a resolution, it is desirable that the board clearly indicates such facts in the reference document for the shareholders' meeting.

(3) We will in principle vote for a shareholder resolution on amendments to the articles of incorporation which fall under any of the following items, but do not correspond to any items in the existing articles of incorporation and do not fall under (2)① or ③. A resolution requesting amendments:

① to formulate the basic policy for initiatives concerning ESG issues and to require the disclosure thereof in accordance with the TCFD Final Report;

② to disclose important information concerning a resolution for the election of directors and auditors;

③ to seek the number of outside directors that is not fewer than the minimum level prescribed in "1. Election of Directors (7)";

④ to seek an outside director to serve as the chair of the board of directors;

⑤ to prohibit or remove the chief executive officer from serving as the chair of the board of directors;

⑥ to elect one or more female directors;

⑦ to abolish the position of "Sodanyaku" or "Komon" to be assumed by a person who is not a director;

⑧ to disclose remuneration for an individual director or auditor or an individual who is not a director, but holds the position of "Komon" or "Sodanyaku " or any other similar position;

⑨ to established guidelines on shareholdings by directors

⑩ to abolish the provisions of the articles of incorporation which prohibit the payment of dividends by resolution of the shareholders' meeting (if the company's appropriation of surpluses for the most recent fiscal year is inappropriate or if the number of outside directors is fewer than the minimum level prescribed in "1. Election of Directors (7)"), or to abolish the provisions of the articles of incorporation which authorize the board of directors to make a decision on the payment of dividends;

⑪ to sell stocks held by the company that are deemed to be problematic in light of the improvement of corporate value and sustainable growth;

⑫ to formulate or disclose the basic policy on the exercise of voting rights related to strategically held stocks, and to disclose the results of the exercise of voting rights; ⑬ to determine that the director's term of office is one year in a company with a board of auditors;

⑭ to establish a voluntary nominating/remuneration committee in a company with a board of auditors or a company with an audit and supervisory committee;

⑮ to make a company that has a listed subsidiary engage in initiatives to ensure the effectiveness of the governance system of such listed subsidiary; or

⑯ to enable the convocation of a virtual-only shareholders' meeting.

(4) In the case of a shareholders' resolution requesting the election of directors, we will consider the resolution in comparison with the company resolution, in accordance with the standards set out in "1. Election of Directors" above by taking into account the corporate governance status and the reason for the proposal.

(5) In the case of a shareholders' resolution concerning the appropriation of surplus, we will consider the resolution in comparison with the company resolution, in accordance with the standards set out in "6. Allocation of Dividends and Profits" by taking into account the reason for the proposal, the effect on share price formation and corporate governance status.

14. Other

We will vote for any other resolution that is found to be appropriate from the perspective of improving shareholder value on a long-term basis or preventing any deterioration of shareholder value; and we will vote against any other resolution that is found to be inappropriate from the same perspective.

15. Waiver of Rights

In principle, we will not waive the rights in the shareholders' meeting where we possess voting rights. However, the voting rights may be waived if the waiver is found to be appropriate.