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| Document type | Policy |
| Registration No. | T24-(5.10)-26 |
| The document is valid from | 2024-12-05 |
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| The company that approved the document | UAB "INVL Asset Management" |
| Document prepared by | Business Development Unit |

STEWARDSHIP & VOTING POLICY

PURPOSE

1. As signatory of the UN supported Principles of Responsible Investment (PRI) and as a responsible shareholder in various financial instruments, we have responsibility to undertake dialogue on a wide range of issues. The purpose of this Stewardship & Voting policy (hereinafter the "Policy") is to define the approach on UAB "INVL Asset Management" (the "Company" or "we") manages its investment strategies and shareholders engagement.
2. This Policy complements and supplements the Responsible Investment & Sustainability Risk Integration policy.
3. The objective of stewardship is to influence investment in which the Company invests in, in order to improve the management of sustainability issues, reduce long-term risks and improve long-term financial performance of investment portfolios.
4. We consider stakeholder engagement as a change process where investors seek to improve investment objective practices with a specific aim. This can be conducted in a variety of ways but mostly it is based around long-term and constructive dialogue.

SCOPE

5. The Company manages different types of assets (such as equity, fixed-income, money market and cash equivalents, alternative investments) through AIF funds (hereinafter the "Fund(s)") and own book investments. The engagement for particular Fund depends on the type of assets, strategy, term of investment and other various Fund-specific particularities.
6. Recommendations of this Policy apply across all existing business segments and across all major asset classes. The particular Fund may implement additional mechanisms and instructions to further identify, manage the engagement process.
7. The provisions of this Policy shall be observed by the members of the investment committee of the Company, the employees of the Investment management department and other employees of the Company involved in the exercise of the shareholders' rights with respect to the financial instruments comprising the assets of the Funds managed by the Company.
8. The provisions of the Policy apply in full to the rights of shareholders in shares of limited public liability companies traded in a regulated market.
9. The Fund may temporarily invest its accumulated resources directly and/or indirectly (e.g. through collective investment undertakings or special purpose vehicles) in debt instruments, money market (and other similar) instruments denominated in freely convertible currencies and bank deposits. The capital of special purpose vehicles may be formed both by the Fund acquiring shares in public company and by lending to these companies the funds constituting the Fund's assets.



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DEFINITIONS

10. **ESG** – represents the environmental, social and governance factors under which investors can assess and evaluate investment on how advanced it is with sustainability. ESG includes the following points:

10.1. **Environmental factors** – factors pertaining to the natural world. These include the use of, and interaction with, renewable and non-renewable resources (e.g., water, minerals, ecosystems, biodiversity);

10.2. **Social factors** – factors that affect the lives of humans. It includes the management of human capital, animals, local communities, and clients;

10.3. **Governance factors** – factors that involve issues tied to countries and/or jurisdictions or are common practice in an industry, as well as the interest of broader stakeholder group.

11. **Stewardship** – the use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries of the Company, including the common economic, social and environmental assets on which their interests depend.

Other definitions have the same meaning as specified in sectoral legislation, in European Union Directives: 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/65/EU, (EU) 2016/97, (EU) 2016/2341, or delegated acts and regulatory technical standards adopted pursuant to them.

GENERAL PROVISIONS

12. By implementing the provisions of the Policy, the Company seeks to ensure that the investor rights granted by the financial instruments such as equity, bonds, external funds (hereinafter – the Portfolio Holding) constituting the assets of the managed Funds are exercised exclusively in the interests of the Funds.

13. The Company manages the assets of the Funds for the best long-term results. The Company takes the view that good corporate governance practices based on the principles of socially responsible and environmentally sustainable operations help to achieve this goal. The Company believes that the implementation of such principles in the Fund helps to maximize long-term value for shareholders.

14. In all cases, when exercising the voting rights, the Company ensures that the investment objectives, strategy, and restrictions established in the Fund documents are complied with.

15. The Policy has been prepared in accordance with the Law on Securities of the Republic of Lithuania, the Law on Markets in Financial Instruments of the Republic of Lithuania, the Law on Collective Investment Undertakings of the Republic of Lithuania and other legal acts.

ORGANISATION AND GOVERNANCE

16. Each Fund manager or Fund investment committee is responsible for compliance with the Policy in all activities. Members of the investment committees and Fund managers, responsible for the management of particular Fund, with the assistance of the employees of the Management Company,



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are responsible for implementing the Policy in investment decisions, e.g. follow-up or/and reporting concerning the Policy.

17. The Company's investment strategy has several defining properties that define its role as a shareholder:

17.1. **activity**. Direct visits to companies and other similar means help to get to know the company better and to engage more constructively on issues that are important to shareholders;

17.2. **durability**. Prioritizing long-term value creation for the Company, rather than focusing only on short-term results;

17.3. **responsibility**. The fundamental bottom-up analysis incorporates and assesses the risks and opportunities associated with the elements of socially responsible and environmentally sustainable operations.

TAKING DECISIONS ON THE APPLICATION OF VOTING RIGHTS

18. After taking into consideration the information provided by the Funds' depositaries or account managers, available economic indicators, potential risks, strategic and other factors, the decision on the exercise of the voting rights attached to the financial instruments constituting the assets of the Funds managed by the Company shall be made by the Company's employees responsible for the management of the portfolios of the individual Funds.

19. The Company considers that it is important to attend shareholders' meetings, that involve issues which are important to the Company's business, such as:

19.1. appointment of management;

19.2. the effectiveness of internal control processes;

19.3. approval of financial results;

19.4. selection or replacement of external auditors;

19.5. review of the bonus and incentive scheme;

19.6. amendment of the company's articles of association and/or other relevant documents.

20. In cases where a decision of material significance is under consideration (change of legal personality, reorganization, liquidation, changes in capital, share options and other similar matters), to ensure that the interests of the Funds are properly protected, a vote may be taken against the adoption of such decisions.

21. All decisions should be made in a manner that maximizes the long-term value of the Funds' assets and avoids short-term fluctuations in the value of assets. The Company operates in such a manner as to ensure adequate monitoring of material corporate events of issuers governed by company law.

22. As the financial instruments of the Funds are held in custody by or on behalf of the depositary with other account managers, the Company may not have access to all the information available to the direct account managers of the financial instruments. The Company implements the monitoring of the issuer's material events in accordance with the financial instruments account management agreements concluded with depositaries.



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23. The Company monitors the overall performance of investee companies, including business strategy, financial and non-financial performance, risk, capital structure, social and environmental impact and corporate governance.

IMPLEMENTATION OF VOTING RIGHTS

24. If the Company decides to exercise the voting rights conferred by the financial instruments constituting the assets of the Funds managed by the Company, it shall exercise this right in accordance with the limitations and requirements laid down by law and by ensuring compliance with the voting procedure provided by the issuer, which must be followed by the shareholders in order to be able to attend and vote at the general meeting, including, but not limited to, compliance with the deadlines by which these rights may be exercised.

25. The Company may authorize another person to vote on behalf of the Funds managed by the Company, subject to the assurance that the authorized person will exercise the right to vote in accordance with the Company's instructions and without prejudice to the investment strategy of the relevant Fund.

FORMS OF STEWARDSHIP & ASSET CLASS ENGAGEMENT INTEGRATION

26. We engage with Portfolio Holdings on a variety of issues. The intention of this, that the Company engages through direct communication with management to represent the position, personalize the engagement, and advocate for change.

27. Stewardship and engagement is the Company wide initiative that encompasses all of our investment disciplines: equities, fixed income, private equity and alternatives. Taking into consideration, that the Company has different investment disciplines, several different forms of Stewardship can be distinguished:

27.1. **Voting.** The general meetings are an opportunity for all shareholders to meet and direct questions to the board, the Portfolio Holding management, and the auditors. It is also an opportunity to vote on proposals on the agenda. The Company takes the view that it is important to attend the shareholders' meetings where important issues related to the business are decided. In private equity, engagement activities are directed and conducted by the private equity investment team and discussed in the private equity investment committee. Private equity funds mostly are major shareholders and have the possibility to set agendas, strategy and impact change in the investee company.

27.2. **Dialogue.** Dialogue with Portfolio Holding management is a part of our investment process. The engagement can be on a range of issues, including strategy, financial performance and risk, capital structure, as well as ESG considerations. Dialogue can be initiated by contacting a Portfolio Holding representative asking for more information. The engagement strategy will then be determined on a case-by-case basis. Different levels of incisiveness may develop - from a simple expression of concern to an exclusion from the investable universe.



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27.3. **Communication with other shareholders and relevant stakeholders of Portfolio Holding.**

We maintain close relationships with a wide spectrum of investors as well as other corporate stakeholders to help us guide our investments:

27.3.1. We engage with local regulators on matters that may affect Portfolio Holding. This may be through direct dialogue, by responding to public consultation requests or through other consultation forums;

27.3.2. We are involved in external governance related organizations and holds positions in the Investors Association, Lithuania Private Equity and Venture Capital Association, Invest Europe. We are also a signatory to the Principles for Responsible Investments (PRI). We may join collective initiatives in order to benefit from the greater influence of the combined shareholdings of all participants, which can add value to specific issues. Through various channels, we constantly monitor opportunities to play our part in contributing to the success of coordinated actions;

27.3.3. The Company may, at its discretion, join initiatives proposed by other shareholders, or initiate issues with which other shareholders would join. Such cooperation may include coordination, joint operating agreements and other forms of cooperation. In cooperation with other shareholders, it must be ensured in all cases that the provisions of the Policy are not violated and that the best interests of the Funds are maintained.

27.4. **Advisory Board Committees or Board representation.** When a Fund has a significant portion of ownership in a financial instrument (e.g., investee company acquisition by private equity fund, major investment in private capital fund), the Fund may ask for opportunity to appoint member(s) to the investment's Advisory Board Committee or to Supervisory or Management Board. We can use our influence in investment to encourage development.

27.5. **Asset class stewardship:**

27.5.1. **Listed equity.** We inspect Portfolio Holdings policies, practices, and statistics on various ESG related sub-topics, identify areas of possible risk and improvement. We make more active use of shareholder rights, when the investments are in Baltic countries, or the votes are held for a significant portion of the total number of financial instruments issued by the issuer (typically more than 5%). The Company may also participate in shareholders' meetings of other Baltic and foreign investees in cases where the material influence decision is being considered.

27.5.2. **Corporate fixed income.** We prioritize engagement for listed equity investments, rather than fixed income investments. However, the scope for influence is where debt investors engage alongside equity investors (or where bring together their engagement approaches in relation to investments in a single issuer regardless of the asset class exposure and the portfolio in which it is held).

27.5.3. **Sovereign debt.** Interaction with sovereign debt issuers is very limited. Stewardship might be through collaborative engagement. Specific Stewardship on ESG topics with sovereign debt issuers is less common. While some ESG factors can be assessed objectively



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without Stewardship, others require us to get more information about the delivery of existing policy commitments, encourage more forceful action to progress the ESG agenda.

27.6. Private equity:

27.6.1. As the manager of Funds established by us, we integrate a systematic approach for identifying and addressing material ESG issues. It enables us to identify anomalies and achievements, support regular engagement with the portfolio company on these issues and strengthen practices that could have implications at exit. We initiate engagement through direct communication with management of direct investments, alongside our investment partners, as applicable. We therefore leverage our board and supervisory board memberships in investee companies to engage in relevant ESG factors. During board meetings, we discuss the progress on engagement activities, review timelines, as well as resources and/or support that may be required;

27.6.2. As limited partners (when our Fund invests in other master funds, as limited partners), we engage with general partners on the ways in which they are monitoring and acting on ESG issues across their portfolios. In some cases, we can have an Advisory Board Committee seat which we use to influence responsible investing discussions. We follow the progress of Stewardship via Board meetings or ad-hoc meetings with investee companies' management or Fund managers, as applicable, on a regular basis.

27.7. Infrastructure, Property and Real Assets. Traditional concerns such as shareholder voting for direct managers of investments are not precisely relevant. However, we engage with different stakeholders (community, governments, tenants) covering a wide variety of topics and issues. The Funds are committed to actively promoting good governance and transparency standards.

27.8. Fund investments. We try to get information from the managers of the external fund for their own investment and Stewardship efforts.

28. In case that improvements by Portfolio Holdings are not made despite several engagement efforts, we will consider forms of escalation. Possible escalation strategies are collaborating with other shareholders, presenting a statement, decreasing exposure and ultimately divestment of the holdings.

ESG PRIORITIES FOR ENGAGEMENT

29. ESG priorities for direct and collaborative engagements and assessments of asset management are defined and reviewed on an annual basis. Focus themes are defined by taking into consideration:

29.1. insights from materiality assessments;

29.2. the nature and materiality of the topic as representing a negative externality to portfolios across regions and sectors;

29.3. availability of data to monitor and assess companies' performance.

MAINTAINING RELATIONSHIPS WITH COMPANIES AND COOPERATING WITH OTHER SHAREHOLDERS



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30. As defined above, the Funds we manage, in accordance with the investment strategy of each different Product, directly or indirectly buy a range of assets, including company shares. Where we acquire a sufficient shareholding through a particular Fund, we obtain voting rights accordingly. With a higher voting right, we are in a better position to gain insight into the activities of the company in which we own shares, to identify problems and to highlight them in order to guarantee the best interests of the Fund. Communications with companies and their managers may be through face-to-face meetings, telephone conferences, shareholder meetings and any other similar means.

31. To more effectively uphold the principles of the Policy and safeguard the Fund's interests, the Fund may undertake additional initiatives. These could include aligning with initiatives proposed by other shareholders, addressing matters of concern, advocating for changes, and collaborating with shareholders. Furthermore, the Fund may aim to acquire the largest possible stake in a given company to enhance its influence. Cooperation with other shareholders shall at all times ensure that the provisions of the Policy are not breached and that the best interests of the Funds are considered.

CONFLICTS OF INTEREST

32. The Company is aware that potential or actual conflicts of interests may arise as part of shareholder Stewardship activities. Consequently, the Company has the Conflict-of-interest policy (which the latest version is published on the official website: www.invl.com) for the purpose of taking all reasonable measures to prevent conflicts of interest. In all cases, the Company works in the best interest of the Fund.

MONITORING AND REPORTING

33. The Company publishes a report on its website no later than 4 (four) months after the end of the previous calendar year on the implementation of the provisions of this Policy and the actions performed. The report shall not include information on votes which are considered to be insignificant because of the number of shares held or the subject matter of the vote.

34. The Funds might report on and disclose information about the ESG and Stewardship activities in its periodic report.

35. A detailed description of the actions taken in accordance with this Policy is available to the Company's clients free of charge upon request.

FINAL PROVISIONS

36. The current version of the Policy is published on the Company's website: www.invl.com

37. This Policy has been adopted and the possible future changes should be approved by the Management Board of the Company.