

Strategy for Exercising of Voting Rights for Luminor investicijų valdymas UAB

Confidentiality class:	Public	Document status:	Approved
Approved by:	Luminor investicijų valdymas UAB Management Board	Approved on:	2024-10-30
Owner:	Investment Management Unit (Luminor Asset Management and Pension Companies)	Effective from:	2024-10-30

Chapter 1 - Objective

1. The Strategy for Exercising of Voting Rights for Luminor investicijų valdymas UAB regulates when and how the voting rights granted for Luminor investicijų valdymas UAB in managing the financial assets constituting the II and III pillar pension funds are exercised.

Chapter 2 - Definitions

2. The below capitalized terms shall have the following meaning:

2.1. **AMC** – asset management company Luminor investicijų valdymas UAB.

2.2. **Corporate Events** – events that have led to a change or potential change in the characteristics of a financial instrument, such as the issuer's decision to change the size of the authorised capital, to change the characteristics of the securities, to buy back its own shares, to issue securities; to pay dividends; to submit to the operator of the regulated market an application for the admission of the issuer's securities to trading on a regulated market or to withdraw securities from trading on a regulated market; members of governing bodies; reorganise or liquidate the issuer; apply to the court for the opening of bankruptcy proceedings against the issuer; exchange of large shareholders of the issuer; the acquisition or loss of a holding in other undertakings, the termination, nullity, other termination or suspension of a holding in other undertakings; other events.

2.3. **Fund** – the II or III pillar pension fund managed by the AMC.

2.4. **Investment Committee** – a collegial investment decision making body established by AMC.

2.5. **Strategy** – this Strategy for Exercising of Voting Rights for Luminor investicijų valdymas UAB.

Chapter 3 - Roles and Responsibilities

Section 1 - General Roles and Responsibilities

3. The AMC Management Board approves this Strategy.

Section 2 - Specific Roles and Responsibilities

4. The Investment Committee makes decisions on how to vote.

5. The Fund Managers and Portfolio Managers must follow the principles and requirements set out in this Strategy when managing Funds and ensure that the Strategy is continuously monitored and reviewed.

Chapter 4 - General Provisions

6. The AMC acts under the conditions best for the Funds and their participants and their interests and follows the laws and other legal acts of the Republic of Lithuania and this Strategy.

7. The AMC responsibly implements its voting strategy, but has no intention of participating in the management of the companies structuring the investment funds and exchange traded funds. The AMC uses its vote as a shareholder (member, participant) to promote compliance with the principles of corporate governance implemented by it.

Chapter 5 - Monitoring Events Governed by Company Law (Corporate Events)

8. The AMC has a depository agreement with Luminor Bank AS. The assets of Funds managed by the AMC are held by the depository in accordance with the depository agreement, under the conditions and in accordance with the procedures established by the law.

9. The depository shall immediately inform the AMC of any Corporate Events of the companies held in the Fund's assets that have become known to them.

10. The persons responsible for the management of investments of the AMC are responsible for monitoring of Corporate Events of the companies whose financial instruments are held by the Funds managed by the AMC.

Chapter 6 - Ensuring that Voting Rights are Exercised in Accordance with Investment Objectives and Strategy of Funds

11. The AMC shall ensure that the exercise of voting rights is carried out in accordance with the investment objectives and strategies of the Funds. The vote shall take into account how the characteristics of the financial instrument will change or may change, it is assessed whether this does not contradict the Fund's benchmark. In any event, a vote shall be taken taking into account the provisions of the Fund investment strategy or Fund rules. When deciding on the exercise of voting rights, the long-term economic interests of the Funds and the principles of social responsibility shall also be taken into account.

12. In deciding how to exercise voting rights, the AMC shall take into account:

12.1. **The place and method of voting.** If a vote is scheduled by electronic means of communication, the vote shall always be considered. If physical presence is necessary, such voting costs and potential benefits shall be assessed.

12.2. **The nature of the item to be voted on.** The vote shall take into account whether the subject matter of voting may affect the value of the financial instrument.

12.3. **The percentage of votes held and the shareholder structure of the issuer.** Assessment is made whether the number of votes held allows decisions to be influenced.

12.4. **What part of the assets of the Fund or client portfolio consists of the financial instrument to be voted on.** The decision to vote may include an assessment of whether a significant part of the assets consists of the instrument to be voted on.

12.5. **What are other possible benefits.** Any other potential direct or indirect benefit is assessed.

12.6. **State tax policy.** It is assessed whether the taxation of the financial instrument will deteriorate after the vote.

12.7. **Other material circumstances** that may affect the value of the financial instrument shall be assessed.

13. The AMC may decide not to exercise voting rights if the vote would result in a disproportionately high cost compared to the expected result.

14. If it is decided to exercise the voting rights, the AMC shall exercise its voting rights to the full extent available.

Luminor

15. Decisions on how to vote in respect of alternative investment asset class and decisions which may have substantial impact on the characteristics of a financial instrument shall be taken by the Investment Committee. The decisions of the Investment Committee shall be signed and stored electronically.

Chapter 7 - Avoidance or Management of Conflicts of Interest Arising from Exercise of Voting Rights

16. The AMC manages and avoids conflicts of interest arising from the exercise of voting rights, in accordance with Luminor Conflict of Interest Management Policy.

Chapter 8 - Final Provisions

17. The persons responsible for the management of investments in the AMC are responsible for compliance with the Strategy and decide if a voting rights exercise issue shall be taken to the Investment Committee.

18. The AMC shall continuously monitor the effectiveness of the Strategy. Any identified deficiencies must be immediately corrected.

19. The AMC shall ensure that a summary of the Strategy is made available to the Fund's participants.

20. A detailed description of the actions taken in accordance with the Strategy shall be made available free of charge at the request of the participants or clients of the Funds.

21. The AMC shall operate in such a way that it can demonstrate at any time that it complies with the Strategy. The AMC shall store data evidencing compliance with the Strategy in accordance with the procedures and time limits established by legal acts.

Chapter 9 - Mandatory FSA Notification and Mandatory Approval Body

22. Mandatory FSA Notification of this Policy and its changes: not set by external regulations.

23. Mandatory Approval Body of this Policy: not set by external regulations or higher level (Group) Internal Regulations.

24. The Strategy is approved by the resolution of the AMC Management Board.