

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 Engagement & Voting policy (the "Policy") is to define the approach UAB "INVL Asset Management" (the "Company" or "we") undertakes stewardship and shareholder engagement for its investment strategies.
2. This Policy complements and supplements the Responsible Investment & Sustainability Risk Integration policy.
3. In particular, the objective of engagement activities is to influence investment in which the Company invests in, in order to improve their 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 in mind. This can be conducted in a variety of ways but mostly it is based around long-term and constructive dialogue.

DEFINITIONS

(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)

5. **ESG** – represents the environmental, social and governance factors under which investors can assess and evaluate investment on how advanced it is with sustainability.
 - 5.1. **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).
 - 5.2. **social factors** – factors that affect the lives of humans. It includes the management of human capital, animals, local communities, and clients.
 - 5.3. **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.

SCOPE

6. The Company manages different types of assets (such as equity, fixed-income, money market and cash equivalents, alternative investments) through different types of legal forms (such as pension funds, UCITS funds, investment baskets, AIF funds, discretionary portfolio management, (the "Fund(s)") and own book investments). The engagement for particular Fund depends on the type of assets, strategy, term of investment, and various other Fund-specific particularities. Recommendations of this Policy apply across all existing business segments and across all major asset classes. The particular Fund may implement additional mechanisms, instructions to further identify, manage the engagement process.

GENERAL PROVISIONS

7. By implementing the provisions of the Policy, the Company seeks to ensure that the shareholder rights granted by the financial instruments (equity, bonds, external funds (the Portfolio Holding) constituting the assets of the managed Funds are exercised exclusively in the interests of the Funds.
8. 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.
9. In all cases, when exercising the voting rights, the Company ensures that the investment objectives, strategy, and restrictions established in the Fund documents or the client's portfolio management agreements are complied with.

ORGANISATION AND GOVERNANCE

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

11. Each Fund manager or Fund investment committee is responsible for compliance with the Policy in all activities and follow-up or/and reporting concerning the Policy.

12. 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, are responsible for implementing the Policy in investment decisions.

FORMS OF ENGAGEMENT & ASSET CLASS ENGAGEMENT INTEGRATION

13. We engage with Portfolio Holdings on a variety of issues. The intention is that voicing our concerns spark a dialogue with management through direct communication to clarify our position, personalize the engagement, and advocate for change.

14. Engagement is the Company wide initiative that encompasses all of our investment disciplines: equities, fixed income, private equity and alternatives. Being aware that a one-size-fits-all is not the best approach we have identified several different forms of engagement:

14.1. Engagement forms:

14.1.1. **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.

14.1.2. **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.

14.1.3. **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.

14.1.3.1. 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.

14.1.3.2. We are involved in external governance related organizations and hold 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 on specific issues. Through various channels, such as the PRI Collaboration Platform and our network, we constantly monitor opportunities to play our part in contributing to the success of coordinated actions.

14.1.3.3. The Company may, at its discretion, join initiatives proposed by other shareholders, or initiate issues to 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.

14.1.4. **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, pension fund major investment in venture 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 the investment to drive change.

14.2. Asset class engagement:

14.2.1. **Listed equity.** We inspect Portfolio Holdings policies, practices, and statistics on various ESG related sub-topics, identify areas of possible risk and improvement. We track our remarks and progress. We summarize our observations relating to ESG for each Portfolio Holdings, raise targets and deadlines for contacting Portfolio Holdings with suggestions and initiating dialogue. 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. The annual report of engagement activities in listed equities can be found on www.invl.com

14.2.2. **Corporate fixed income.** We prioritize engagement for listed equity investments rather than fixed income investments. However, 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).

14.2.3. **Sovereign debt.** Interaction with sovereign debt issuers is very limited. Engagement might be through collaborative engagement¹.

Specific engagement on ESG topics with sovereign debt issuers is less common. While some ESG factors can be assessed objectively without engagement, others require us to get more information about the delivery of existing policy commitments, encourage more forceful action to progress the ESG agenda

14.2.4. **Private equity.**

14.2.4.1. As a general partner 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 on 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.

14.2.4.2. As limited partner 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 our engagement via Board meetings or ad-hoc meetings with investee companies' management or fund managers, as applicable, on a regular basis.

14.2.5. **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 is committed to actively promoting good governance and transparency standards.

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

CONFLICTS OF INTEREST

15. The Company is aware that potential or actual conflicts of interests may arise as part of shareholder engagement activities. Consequently, The Company has policies in place for the purpose of taking all reasonable steps to prevent conflicts of interests. In all cases we work in the best interest of the Fund.

¹ Collaborative shareholder engagement occurs when a group of institutional investors come together to engage in dialogue with companies, holdings, funds on environmental, social and governance (ESG) issues.

The latest and most current version of the Conflict-of-interest policy is published on the website www.invl.com.

MONITORING AND REPORTING

16. The Company shall, no later than within 4 months from the end of the previous year, publish on its website a report on how the provisions of the Policy have been implemented and what actions have been taken considering listed equity (this report does not disclose information on votes that are considered insignificant due to the number of shares held or the subject matter of the voting).

FINAL PROVISIONS

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