

# VOTING RIGHTS POLICY

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<b>Available in:</b>	English, Slovak
<b>Effective since</b>	1 January 2023
<b>Binding for:</b>	Investment Management
<b>Available for :</b>	Eurizon SK - all, clients, investors and shareholders of Eurizon SK mutual funds
<b>Owner:</b>	Investment Management
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<b>Approved by :</b>	Management Board

**Objective:**

Pursuant to legal requirements, this internal regulation represents a strategy regulating terms and methods for exercising the voting rights associated with financial instruments recorded in assets of the Eurizon SK mutual funds in so far as to ensure there is acting in favour of the mutual funds and their shareholders.

**Main amendments :**

- incorporation of engagement activities carried out from the parent company level,
- adding text in point III Engagement in the execution of shareholders' rights about commitment of the management company in cooperation with Eurizon Capital SGR S.p.A. (ECSGR) to exploit ECSGR expertise to activate specific engagement actions in the target (underlying) funds towards investee issuers,
- update of Final provisions in point IV.,
- other minor changes in the text of the internal regulation.

## I. General principles of the policy:

**Eurizon Asset Management Slovakia, správ. spol., a.s.**, registered office: Mlynské Nivy 1, 820 04 Bratislava, Slovak Republic, CRN: 35 786 272, incorporated in the Commercial Register of the District Court Bratislava I, section: Sa, file: 2416/B (hereinafter referred to as “**Eurizon AM Slovakia**” or “**Eurizon SK**”), exercises the voting rights, which are linked to the financial instruments in the mutual funds managed by Eurizon SK, in particular to stocks, excluding securities and shares in collective investment funds. VÚB AM exercises the voting rights (i) in line with generally binding legal regulations, namely Act 203/2011 Coll. on Collective Investment (hereinafter referred to as the “**CIA**”), (ii) in the best interest of the mutual funds and their shareholders, (iii) while taking into account economic efficiency in exercising the voting rights, as follows:

- a) Eurizon SK **does not exercise** the voting rights, if a share on voting rights of a single issuer, in relation to whom VÚB AM on behalf of the relevant mutual fund may enforce the voting rights by effect of investment in the financial instruments of the issuer, **is lower than or equal to 3.00 %**,
- b) Eurizon SK **shall consider exercising** the voting rights, if a share on voting rights of a single issuer in relation to whom VÚB AM on behalf of the relevant mutual fund may enforce the voting rights by effect of investment in the financial instruments of the issuer, is **higher than 3.00 % and at the same time lower than or equal to 5.00 %**,
- c) Eurizon SK **shall in principle exercise** the voting rights, if a share on voting rights of a single issuer, in relation to whom VÚB AM on behalf of the relevant mutual fund may enforce the voting rights by effect of investment in the financial instruments of the issuer, is **higher than 5.00 %**.

## II. Internal procedures of Eurizon SK

The Investment Management department shall be responsible that the exercise of voting rights in line with the general principles of this policy, as follows:

- a) The employee of the Investment Management department in charge of the relevant mutual fund (hereinafter referred to as the “**Portfolio Manager**”) shall monitor, together with the employees of the Risk Management department who update data in the IT system, whether or not the share on voting rights of a single issuer in relation to whom Eurizon SK on behalf of the relevant mutual fund may exercise the voting rights by effect of investing in the financial instruments of the issuer, has exceeded 3%. If so, the Portfolio Manager shall take actions as specified in Item b) to e) of this article.
- b) The Portfolio Manager, based on the information from its custodian (Depository & Custody department, VÚB, a.s.), shall monitor data, at least as regards the venue, time and agenda of each general meeting of the relevant issuer.
- c) In case of Art. I Item b) (voting considered) or in case of Art. I Item c) (voting exercised), the Portfolio Manager shall inform in due time the Head of Investment Management department as well as CEO of Eurizon SK, about the general meeting to be held and other relevant matters associated therewith.
- d) The Head of the Investment Management department, based on the opinion of the Portfolio Manager and possible instructions of CEO of Eurizon SK, shall take a decision, whether or not, in case of Art. I Item b), to exercise the voting rights, while taking into account costs associated with exercise of the voting rights and benefits for the mutual fund and its shareholders.
- e) The Head of the Investment Management department, based on opinion of the Portfolio Manager and possible instructions of CEO of Eurizon SK, shall take a decision about the manner of exercising the voting rights under Art. I, Item c) or, as the case may be, Item b). The voting rights are exercised in cooperation with the Legal and Corporate Affairs department forthwith and directly or by effect of representation based on a power of attorney; the action is taken in a way to ensure that there is unbiased exercise of the voting rights on part of Eurizon SK in line with the investment policy and objectives of the relevant mutual fund, in compliance with the best interests of the mutual fund and its shareholders and also with the aim to prevent even potential conflicts of interests arising from the exercise of the voting rights or in order to manage such conflicts of interest.

## III. Engagement in the execution of shareholders' rights

In terms of CIA, Eurizon SK is considered an asset manager, which is expected to responsibly engage in the execution of shareholders' rights, if it has a stake in companies, whose shares are admitted to trading on a regulated market. In accordance with the applicable legislation, Eurizon SK has currently decided not to conceive, not even partially, a specific engagement policy.

In fact, pursuant to Art. 93(1) of CIA, Eurizon SK may not acquire for the assets of a standard fund under its management, or for its own assets, where it is acting in relation to any of the common funds under its management, more than 10% of the sum nominal value of the voting shares issued by a single issuer. In case of specific mutual funds, which are managed by Eurizon SK and which, according to their investment policies and goals, may invest in shares admitted to trading on a regulated market, the utilisation of the above-mentioned regulatory limit is, as a rule, very low in comparison to the threshold defined in Art. 1 Item a) above, when Eurizon SK does not apply voting rights. In such a case the size of the stakes is not material enough to bear practical significance for influencing the operation of the given joint-stock companies as well as in order for Eurizon SK to effectively e.g. set extended monitoring or closer cooperation with various stakeholders of the companies in question.

In the best interest of its own mutual funds, Eurizon SK in cooperation with Eurizon Capital SGR S.p.A. (hereinafter referred to as "ECSGR"), undertakes to use ECSGR expertise and experience to activate specific engagement actions, especially on grounds of the exercise of shareholders' rights or the holding of financial instruments within target (underlying) mutual funds, towards the issuers, which the target mutual funds invest in, and which:

- show significant deviations with respect to specific ESG<sup>1</sup> indicators,
- or that show significant negative effects on more than one ESG indicator,

with the aim of directing such issuers towards improving their sustainability practices, considering, only as a last resort, the divestment of the financial instruments issued by such issuers.

#### **IV. Final provisions**

Considering the extent of the voting rights strategy and in order to ensure transparency of information, Eurizon SK makes the full text of this Policy available to clients, investors and shareholders. Eurizon SK will assess all their requests for more detailed information in line with CIA.

This version 7 of the Policy shall be effective from 1 January 2023. As of the same day, the previous version of the Policy shall be repealed.

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<sup>1</sup> ESG refers to environmental and social aspects, including good governance practices.