

ENGAGEMENT POLICY

I. Application and General Provisions of the Policy

1. Engagement policy (hereinafter - Policy) of UAB Dovre Forvaltning (hereinafter - Management Company) sets out the principals and guidelines that are complied with by the Management Company in exercising the voting rights and other rights granted by financial instruments that are provided by the financial instruments included into the assets of the funds managed by it, as well as the actions that are performed by the Management Company by getting involved into the activities of the Companies to the financial instruments of which investments are made.
2. The Policy is drawn up in compliance with the Law on Markets in Financial Instruments of the Republic of Lithuania, Law on Collective Investment Undertakings of the Republic of Lithuania and the Rules for Organization and Performance of Activities of the Management Companies approved by the Board of the Bank of Lithuania, Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement and related legal acts.
3. The following definitions are used in the Policy:
 - 3.1. **Company** shall be a limited liability company whose financial instruments are traded on a regulated market to the financial instruments of which the Management Company makes investments on behalf of Investors.
 - 3.2. **Depository** shall be Swedbank, AB.
 - 3.3. **Fund** shall be a harmonized investment fund or a sub-fund of a complex harmonized investment fund which is managed by the Management Company.
 - 3.4. **LMFI** shall be Law on Markets in Financial Instruments of the Republic of Lithuania.
 - 3.5. **Investor** shall be the one as defined in the Law on Collective Investment Undertakings of the Republic of Lithuania and the investor who has concluded a contract with the Management Company on management of individual financial instrument portfolio.
4. Other definitions used in the Policy shall have the meaning defined in LMFI and other legal acts applicable to the activities of the Management Companies.
5. The Policy shall be applicable to those financial instruments the the Company owns or manages for the benefit of the entities of harmonized collective investment or investors who have concluded contracts on management of individual financial instrument portfolio.

II. Monitoring

6. Management Company shall monitor performance of activities of the Companies, including activity strategy, financial and non-financial results, risk, capital structure, social effect and effect on environment and company management. Such monitoring is performed when the financial instruments of the Company are owned as well as before purchase of the financial instruments of the Company.
7. Activities of the Company shall be monitored and assessed in compliance with the procedure prescribed by the Policy for Adoption of Investment Decisions and the Policy for Implementation of the Investment Decisions of the Company.

8. As financial instruments are stored in the Depository or on behalf of the depository by other managers of accounts, the Management Company may not get access to full information which is accessible to direct managers of the accounts of financial instruments. Management Company shall implement monitoring of significant events of the Companies on the basis of the contracts with the Depository.
9. The Depository shall handover available information on significant events of the companies to the Management Company as it is prescribed by the contract by and between the Management Company and Depository.
10. In case the Management Company notices that any actions of the Company fail to comply with the principles provided herein or that any actions of the Company fail to comply with the good practice in management, the Company must consider what further actions should be taken. An example of such actions could be application to the management of the Company with the proposal to make changes or participation in the company's activities by delegating its representatives to the management or supervisory bodies of the Company. In exceptional cases, if the Company fails to remedy current situation and change faulty practice, the Management Company shall consider a possibility to sell the financial instruments of the Company.

III. Maintenance of Dialogue and Relations

11. If necessary and taking account of the interests of the Investors, the Management Company may have direct communication with the managers of the Companies whose financial instruments have been invested to. The most important goal for maintenance of the dialogue and communication shall be security of the Investor's interests; also it allows better control and monitoring of investments. Such participation is an important element of representation on the Investors' interests as well as control and monitoring of investments which allows identification of the potential or existing problems in the Companies and, if necessary, taking respective actions in order to secure the interests of the Investors.
12. Communication and dialogue of the Management Company with the managers of the Companies, whose financial instruments are invested to, may be organized during meetings, telephone conferences, general meetings of shareholders and in any other ways which ensure proper exchange of information. In exceptional cases, taking account of the importance of the issues and/or problems and a possibility to make impact on the decisions being adopted by the Company, the Management Company may delegate its representatives to the management or supervisory bodies of the Company.
13. By the decision adopted by the board, the Management Company shall allocate resources for participation in the Companies' activities by taking account of the amount of investments, importance of problems and factual possibilities to make impact on the respective decisions.

IV. Exercising of Voting and Other Rights

14. During participation and voting at the general meetings, the Management Company shall take account of the Investors' interests, amount of a specific investment, possible costs, importance of issues and a possibility to make significant impact on the decisions being adopted.

15. In exercising the voting rights granted by the financial instruments, the Management Company shall vote in compliance with the restrictions and requirements set forth by the legal acts as well as by ensuring that the voting procedure provided by the issuer is complied with, deadlines within which such rights may be exercised are not violated.
16. In exercising the voting rights granted by the financial instruments, the Management Company shall comply with the approved Strategy for Exercising Voting Rights.
17. The Management Company may authorize another person to vote on behalf of the Funds managed by the Management Company. The Management Company must ensure that the authorised person shall exercise the voting rights in compliance with the instructions of the Management Company and shall not violate the Strategy for Exercising Voting Rights and the Fund's Strategy for Investment.

V. Cooperation with Other Shareholders

18. To represent and fulfil the interests of the Investor in proper manner, by the decision of the board, the Management Company may join the initiatives proposed by other shareholders or, in exceptional cases, may impose initiatives that may be joined by other shareholders. Such cooperation may include coordination of actions, exchange of information, conclusion of joint activity contracts, participation in activities of association or any other cooperation which would help representing and fulfilling the interests of the Investors.
19. In cooperation with other shareholders, provisions of this Policy must always be ensured and actions should be carried out for the best interest of the Investors.

VI. Management of Conflicts of Interest

20. In exercising the shareholder's rights granted by the financial instruments that are a part of the assets of the Funds managed by the Management Company, the Management Company shall represent the interests of the Investors and shall act in order to avoid conflict of interests.
21. The Management Company has approved the Policy to Avoid Conflicts of Interest which sets out the procedures for identification and management of the conflicts of interests. The Policy to Avoid Conflicts of Interest is published on the website of the Management Company <https://www.dovreforvaltning.com/>.
22. If the conflict of interests occurs, the Management Company shall act in compliance with the Policy to Avoid Conflicts of Interest and the legal acts of the Republic of Lithuania regulating identification and management of the conflicts of interest.

VII. Final provisions

23. The Management Company shall publish the report on implementation of the Policy not later than within 4 months from the end of the last calendar year. The report must provide information on general review of voting, explanation of the most significant voting and how the services of authorised consultants have been used by the management company. The Company discloses how it has voted at the general meetings of the limited liability companies whose shares it owns. In disclosure of such information, the voting which, according to the criteria set forth by the investors

and Management Company, is considered insignificant with regard to the subject matter of voting or owned number of shares of the company may be excluded.

24. Implementation of the provisions of this Policy shall be controlled by the Compliance Officer.
25. The Policy and the report on implementation of the Policy shall be published on the website of the Management Company <https://www.dovreforvaltning.com/>.
26. This Policy shall enter into force upon its approval at the meeting of the Board and it shall be in force for an unlimited period of time.
27. This Policy shall be amended by the decision of the Board.
28. The Company must review and update provisions of this Policy on regular basis.