



ENGAGEMENT POLICY (ACTIVE PARTICIPATION & VOTING RIGHTS EXERCISE)

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POLICY OF ACTIVE PARTICIPATION & VOTING RIGHTS EXERCISE

I. Purpose of this policy

This policy of Piraeus Asset Management MFMC (**hereinafter “the Company”**) is established pursuant to article 32 of Law 4706/2020, which provides that asset managers develop and publicly disclose the policy on their active participation. Furthermore, this policy includes the strategies for the exercise of voting rights by the Company according to article 21 of the decision under no. 15/633/2012 by the Capital Market Commission.

According to article 26 d) of Law 4706/2020, “Asset Manager” means the investment company as defined in par. 1 of article 4 of Law 4514/2018 providing portfolio management services to investors, the Alternative Investment Fund Manager (AIFM) and the Société Anonyme for the Alternative Investment Fund Management (SA AIFM), as defined in subind. aa’ and bb’ of ind. b’ of par. 1 of article 4 of Law 4209/2013, that does not fulfil the conditions for an exemption, pursuant to article 3 of the same law, or a management company, as defined in ind. b’ of article 3 of Law 4099/2012, or an authorized investment company, provided that it has not designated a management company authorized for its management.

In view of the above, the Company, as an MFMC, and as a provider of the investment service of portfolio management to investors, falls within the concept of Asset Manager and, consequently, is subject to the above obligation to develop and publicly disclose the policy of active participation.

In this context, this policy of the Company lays down the conditions for its active participation as regards shares of companies that are admitted to trading on a regulated market (**hereinafter “listed companies”**), provided that they are included in the portfolio of the UCITS/CIUs under management or in the portfolios of clients managed by the Company, under the condition that, in the latter case, the Company has been authorized by the client to exercise the voting rights on the client’s behalf (**hereinafter “portfolios under management”**).

At the same time, the Company’s present policy shall apply mutatis mutandis as regards rights deriving from other financial instruments (other than the shares of listed companies) included in the portfolios under management.

II. Active participation of the Company

The Company, in the context of its active participation in the listed companies, shares of which are included in the portfolios under management, proceeds to the following actions:

- 1) The Company's Investment Management Department monitors the listed investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance.
- 2) The Company's Managers of Collective and Individual Portfolios become aware of the forthcoming general meetings of listed companies through various sources of information (such as the press, the internet, the direct communication with companies' representatives), as well as through direct communication with representatives of the listed companies.
- 3) It exercises the voting rights, as well as other rights deriving from the said shares based on the criteria mentioned under IV below.
- 4) Where deemed necessary by the Company's Investment Management Department, the said Management Department conducts a dialogue with the competent executives of the listed companies or/and cooperates with other shareholders and communicates with the interested bodies of the listed companies.

It is noted that the aforementioned action of the Company under 4) takes place provided that the Investment Management Department considers that the Company can play an important role in the corporate governance of the listed company, and, in general, as regards its strategy and its long-term performance, taking into account the interests of the portfolios under management.

III. Principles for voting policy

The Company's voting policy - both direct and proxy voting - is based on 5 Principles:

- Pre-Declare Voting: early submission of the voting to the investee companies for their management to consider in time various perspectives and potentially make more informed decisions
- Sustainability Alignment: vote in favor of actions that contribute to the enhancement of ESG issues
- Long-Term Value: vote in favor of actions that contribute to the enhancement of the long-term shareholder value, recognizing the benefits of sustainable practices over time
- Board Accountability: vote in favor of boards that demonstrate effective governance, accountability, and diversity, promoting robust oversight
- Executive Compensation: vote in favor of remuneration structures aligned with ESG performance metrics.

The Company takes part in the General Meetings of the Shareholders of listed companies, shares of which are included in the UCITS/CIUs under management, provided that, for all the UCITS/CIUs it manages, it owns more than 3% of the total shares of a company.

IV. Criteria for exercising voting and other rights deriving from the shares – Process of exercising these rights

As regards the portfolios of the UCITS/CIUs under management:

The Company manages the UCITS/CIUs for which it has been appointed as the management company with primary objective to provide positive long-term performance to its clients. In order for this objective to be achieved, the Company is mainly interested in the long-term financial performance of the companies, to which the UCITS/CIUs under its management invest. The long-term development of the companies directly depends on the corporate governance policy applied, the structure of the Board of Directors, as well as the demonstration of social and environmental responsibility. The voting rights, as well as other rights (such as the right to information) deriving from the shares of listed companies, that are included in the portfolios of the UCITS/CIUs managed by the Company, shall always be exercised solely in the interests of the shareholders, in accordance with the investment objective and policy of the UCITS/CIU and the aforementioned criteria.

In this context, the Company mandatorily participates and exercises the voting rights deriving from shares of listed companies included in the portfolio of the UCITS/CIUs under management provided that the Company's Investment Manager decides so, while taking into account the following factors:

- Based on whether the items that will be discussed and for which the Company will be required to vote are important for the future course of the Company.
- Whether the exercise of the voting rights is imposed by the interest of the unit-holders of the UCITS/CIUs and is in accordance with the investment objective and the investment policy of the respective UCITS/CIU under management.
- Whether the Company is able to play an important role in the corporate governance of the listed company, and in general as regards the strategy of the listed company and its long-term performance.

As regards the portfolios of clients:

In the case of individual portfolios of clients managed by the Company in the context of the provision of the investment service of portfolio management, the Company –as a general principle- shall neither undertake the power of exercising voting rights deriving from the shares included in the Client's portfolio, nor accept in principle any special authorization to this respect.

In some exceptional cases, where the Company accepts such an authorization, the Company's Managing Director:

- a) shall ensure the exercise of the voting rights in accordance with any relevant client orders,
- b) in case of a carte blanche, shall ensure the independence of the Company's decisions, being able to justify their decision on the exercise or not of the voting rights in any case, taking into account the client's interest and
- c) shall inform the Company's Regulatory Compliance Manager in order to check if the Company is subject to a disclosure obligation pursuant to the provisions of Law 3556/2007.

V. Means and process of exercising voting rights

The Company's Investment Management Department shall be informed by the available means (press, internet, direct communication with the companies' representatives) on the forthcoming general meetings concerning shares of listed companies included in the portfolios under management and shall obtain in time all the necessary documents regarding the items on the agenda of the respective general meeting.

The participation in the general meetings shall take place either by the physical presence of a member of the Investment Management Department or through authorization to a person appointed by the company holding the general meeting.

The voting rights shall be exercised in a way independent from the Group's interest, and always taking into account the interests of the unit holders, the investment objective and the investment policy of the portfolios under management and in accordance with the procedures provided for by the legislation in force.

VI. Prevention or management of conflicts of interest

With a view to ensuring the priority of the interests of the Company's clients and the UCITS/CIUs under management, and in compliance with the legislative framework in force, the Company has established internal procedures including organizational and administrative measures, in order to prevent situations of conflict of interest and to resolve such situations that may arise. A summary description of the Company's policy of prevention, detection and management of situations of conflict of interest is posted on the Company's website www.piraeusaedak.gr, while, following a request, the Company provides further information as regards the policy it implements on the conflicts of interest.

The aforementioned Company's policy of prevention, detection and management of situations of conflict of interest shall be implemented also in relation with the activities of engagement of the Company provided for in the present policy.

In any case, in order to manage existing or possible situations of conflict of interest related to the Company's participation in the listed companies, in case the Company participates in general meetings of listed companies included in the same group as the Company, the Board of Directors shall exercise the rights deriving from the financial instruments in the interest of the Company's clients or in accordance with the interests of the unit holders of the UCITS/CIUs, pursuant to their investment objective and their investment policy. In such cases, the Company shall duly justify the stance adopted and shall provide the relevant justification to any investor, following a request, in accordance with the legislation in force.

VII. Publication of policy and means of implementation of this policy of active participation

The Company publicly discloses on a semi-annual basis:

- the means of implementation of this policy of its active participation, including an overview of its behavior during votes, as well as an explanation regarding the most important votes and any use of services of proxy advisors¹,
- the way in which it voted in the general meetings of the companies in the share capital of which it participates.

The above published information by the Company is available free of charge on the Company's website www.piraeusaedak.gr

VIII. Implementation of this policy in further financial instruments

The provisions of this Company's policy shall be implemented mutatis mutandis in relation with rights deriving from other financial instruments (other than the shares of listed companies).

IX. Modification – review of this policy

This policy of the Company is reviewed on a regular basis by the Company's Board of Directors, following a proposal by the Investment Management. In case of amendment, the updated policy becomes directly available free of charge on the Company's website www.piraeusaedak.gr

¹ A "proxy advisor" is any legal person analyzing on a professional and commercial basis the data communicated by the Companies and, where appropriate, other information of listed companies, in order to inform the investors, so that the latter can take decisions to vote having at their disposal investigations, suggestions or recommendations to vote as regards the exercise of their voting rights [article 26 indent e) of Law 4706/2020].