

ENGAGEMENT POLICY

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TERMS AND DEFINITIONS

The Bank – AS BlueOrange Bank.

Policy – Engagement Policy.

Trust portfolio – a pool of financial instruments or other funds owned by the client that have been given to the Bank's management under the Trust Agreement.

Company – a public companies which have their registered office in a Member State and the shares of which are admitted to trading on a regulated market situated or operating within a Member State and in which the Bank makes investment.

Report – Report on the Implementation of the Engagement Policy.

Council – The Bank's Council.

Board – The Bank's Management Board.

1. GENERAL PROVISIONS

- 1.1. The Bank has developed this Policy considering the fact that the Bank is entitled to make investments in Company shares upon providing investment portfolio management services.
- 1.2. The Bank shall enforce this Policy based on the principle of best practice, representing the rights and interests of investors, pursuant to the Financial Instrument Market Law, other regulatory enactments, as well as the regulatory documents of the Bank.
- 1.3. In managing Trust portfolios, the Bank makes diversified investments in Company Shares. Besides, considering the volume of the Trust portfolio managed by the Bank, the Bank is aware that it has a very limited ability to acquire a holding in the Company capital of more than 1 (one)% of the issued voting shares.
- 1.4. The Bank, in the enforcement of the Policy, shall:
 - 1.4.1. Monitor the activities of the Company;
 - 1.4.2. Engage in a dialogue with the Company;
 - 1.4.3. Exercise the voting rights of the Company and other rights arising from the shares, including providing for the criteria for the determination of minor votes;
 - 1.4.4. Cooperate with other shareholders of the Company;
 - 1.4.5. Contact the interested parties of the Company;
 - 1.4.6. Provide for the management of actual and potential conflicts of interest in respect of the involvement in the management of the Company;
 - 1.4.7. Draw up and publish the Report;
 - 1.4.8. Address other issues related to the relationship between the Bank and the Company.
- 1.5. The Policy shall be binding on the Chief Compliance Officer and the Client Asset Management Department.

- 1.6. The Bank shall publish the Policy, the Report, as well as information on the votes it has taken on the Bank's website pursuant to the requirements of the Financial Instrument Market Law. The Policy with the amendments made shall be valid from the date of its publication.

2. THE RELATIONSHIP BETWEEN THE BANK AND THE COMPANY

- 2.1. The Bank shall monitor the activities of the Company by following such factors as the Company's strategy, its financial and non-financial performance and risk, its capital structure, social impact, environmental impact, corporate governance, information published in the Company's public periodic reports, and press releases.
- 2.2. The Bank may monitor the factors associated with its investment in the Company by using tools such as conference calls with members of the management bodies of the relevant Company and/or employees of the Company that maintain relationships with investors.
- 2.3. The Bank may exercise voting rights in the Company and other rights arising from the shares.
- 2.4. The Bank shall consider that the vote is minor if the size of the Bank's position in the Company is less than 5 (five) % of the issued voting shares of the Company.
- 2.5. In minor votes, the Bank shall accept the recommendations of the Governing Board of the Company for votes and shall vote in favour.
- 2.6. The Bank shall exercise its voting rights in respect of significant capital positions held in Trust portfolios.
- 2.7. The Bank shall not physically attend the annual meetings of shareholders in the Companies in which the Bank has investments, unless it has specific reasons to do so.
- 2.8. If a Bank holds a qualifying holding or holding more than 5 (five) % of the issued voting shares of a Company, the Bank's representative shall attend the annual shareholder meetings.
- 2.9. When necessary, the Bank shall communicate/engage in a dialogue with the Company, but the Bank may cooperate, if necessary, with other shareholders as well, where such cooperation is deemed to be the best way to ensure the protection of investors' interests, provided that the requirements of external legislation and/or other internal regulatory instruments of the Bank are not violated, there is no conflict of interest at the result of which the Bank would be exposed to operational compliance risks.
- 2.10. The Bank may cooperate with other shareholders if the size of the Bank's position in the Company, when viewed individually, is not sufficient to influence voting on critical issues of the Company, such as issues related to capital market transactions or corporate governance. In addition to formal shareholder meetings, cooperation between shareholders can be maintained through non-formal meetings (e.g. conference calls, etc.).
- 2.11. The Bank is aware that a variety of conflicts of interest may arise as part of its involvement in the management of the Company. The Bank has developed and approved the "Policy for the Management of Conflict of Interest for the Provision of Financial Instruments Market Investment Services", as well as the process for managing conflict of interest situations in order to resolve potential and actual conflicts of interest.

3. REPORT ON POLICY IMPLEMENTATION

- 3.1. The Bank shall publish the Report on the Bank's website by 1 August each year, starting from the year 2020.
- 3.2. The Report shall be made for the period from the date of the first publication of the Policy or the date of the last Report.
- 3.3. The Report shall contain the following information:
 - 3.3.1. General information on the execution of voting rights by the Bank;
 - 3.3.2. Clarification of the most important votes.
- 3.4. Starting from 2020, in addition to the Report, the Bank shall once every six months publish on the Bank's website a summary of the Bank's votes at the meetings of the Company shareholders. The Bank shall be entitled to not disclose votes, which are deemed to be minor under the Policy.

4. POLICY UPDATE

- 4.1. The Council and the Board of the Bank shall monitor and regularly (at least once a year) assess the Policy's compliance with the regulatory enactments and internal regulatory documents, as well as, if significant changes arise, review the Policy.
- 4.2. The Board shall have the right to amend the Policy and to submit proposals on amendments to the Council.
- 4.3. The Council shall review and approve the Policy at least once a year, assessing its relevance to the current situation.