

Principles of participation of shareholders in exercising their rights

pursuant to § 78 of the Act no. 566/2001 Coll. on securities and investment services and on
amendment and addendum of some other acts as amended
(hereinafter as the „Securities Act“)

Wealth Effect Management o.c.p., a.s.
registered office: Prievozská 4C, 821 09 Bratislava,
Business identification number: 51 127 113
registered in the Commercial Register of the District Court Bratislava I.,
section: Sa, insert number: 6652/B

The company Wealth Effect Management o.c.p., a.s. (hereinafter as the „Company“) makes all the efforts to ensure the best possible result in the provision of the portfolio management investment service, including monitoring the joint stock companies in which the Company invests, eventually and where appropriate the Company exercises voting rights and other rights attached to these shares.

The basic objective of these Principles of participation of shareholders in exercising their rights is to sufficiently determine how the Company integrates the exercise of shareholders rights in investment strategies.

To this end the Principles of participation of shareholders in exercising their rights include the way how the Company monitors the joint stock companies, whose shares are admitted to trading on a regulated market and in which the Company invests, as regards the substantial matters including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and companies governance and management.

These Principles of participation of shareholders in exercising their rights do not include any method, how the Company:

- exercises voting rights and other rights attached to these shares of the respective companies;
- negotiate with the joint stock companies, in which it invests;
- cooperates with other shareholders of these companies;
- communicates with respective involved parties of the joint stock companies in which it invests;
- manages the actual and potential conflicts of interests regarding the involvement of the company in exercise of shareholders rights of the joint stock companies in which it invests..

The Company decided to not incorporate the abovementioned methods, because the amount of its investments does not have significance and does not have practical impact and influence on decisions and management of joint stock companies, in which the company invests.

Regular monitoring

Prior the purchase of the shares, the Company performs a detailed analysis of the issuer and its financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance and management. Based on the performed analysis the Company decides on incorporation of the shares into the respective investment strategies and on its purchase.

In order to achieve the investment objective of the respective investment strategy, the Company regularly monitors, analyzes and evaluates the published data and information regarding the issuer of the shares, in which the Company invests or intends to invest. The Company uses Bloomberg Professional Terminal system to collect data and information.

These Principles of participation of shareholders in exercising their rights are regularly, at least once a year, reviewed and eventually also adapted to the needs of the Company, due to changes in the regulatory framework, scope of activities, services and products of the Company. The director of investment services department is responsible for updating this strategy and any changes must be approved by the Board of Directors of the Company based on the proposal of the director of investment services department.

These Principles of participation of shareholders in exercising their rights are valid and effective from 1 October 2019.