



HAITONG

REGULATION No. COM19.R49
Engagement Regulation of Haitong Bank, S.A.

Approved by the Board of Directors
on 25/06/2024

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1. OBJECTIVE

The purpose of this Regulation of Haitong Bank, S.A. (the “**Bank**”) is to lay down the rules to be followed in the context of shareholder engagement, in order to describe how its integration is reflected in the Bank’s investment strategy.

Haitong Bank is an investment bank headquartered in Lisbon and authorised by the Portuguese Securities Market Commission (CMVM) to provide portfolio management services through its Portfolio Management Division (Asset Management Department). The Bank is owned by Haitong Securities Co., Ltd., listed on the Shanghai market and one of the main investment banks in China providing a wide range of services in the global markets.

2. LEGAL FRAMEWORK

This Regulation is based on the current, national and European, applicable legislation, including without limitation:

- Directive (EU) 2017/828, Shareholder Rights Directive II;
- Regulation (EU) 2019/2088, SFDR;
- Law No. 50/2020;
- Decree-Law No. 486/99, CdVM;
- Decree-Law No. 298/92, RGICSF;
- Decree-Law No. 27/2023, RGA;

3. RECIPIENTS

- a. The content of the Engagement Regulation (the “**Regulation**”) represents a minimum standard that shall apply to the Bank and its subsidiaries and branches (“**Haitong Bank Group**”).
- b. In case of conflict between any provision of this Regulation and the local laws and regulations applicable to any Bank's subsidiary or branch, the relevant local laws and regulations shall prevail.

4. RESPONSIBILITY AND MONITORING

- a. This Regulation was prepared by the Asset Management Department and the Compliance Department.
- b. This Regulation is approved by the Board of Directors.
- c. This Regulation should be reviewed in the event of any change to the principles laid down herein or any legal or regulatory change that may affect the Bank and at least every two years.

5. PRINCIPLES

- a. The Regulation lays down the general principles on how shareholders' engagement is integrated in the Bank's investment strategies, as well as the various engagement activities that the Bank carries out on behalf of its clients.
- b. The general principles laid down in this Regulation apply to the portfolio management activity in which the Bank invests in shareholdings ("shares") on behalf of its clients, irrespective of the place where such shares are admitted to trading and/or in which jurisdiction.

6. MONITORING OF INVESTEE COMPANIES

The Bank's investment process is essentially based on a fundamental analysis, with careful definition of the variables that enable investment in any given company, such as macroeconomic background, as well as the prospects for the investee's sector. These factors are always taken into account.

With regard to the process of selection of these companies, the criteria used always implies an analysis of the quality of their management, including their recent track record, their strategy and business plan for the coming years and the weight of the social accountability component, which involves the three "ESG" - environmental, social and governance - factors, in the investee company's strategy. While the Bank believes that an investment strategy based on the ESG component is a crucial factor for a company's long-term performance, the Bank is not currently considering the prospective adverse impacts of investment decisions on sustainability factors, due to factors related to the size, nature and scale of the Bank's activities.

Other relevant factors include a thorough analysis of the investee company's capital structure and of the main risks that may constitute a threat to its business. The value factor is always a criterion to take into account in the selection of companies and, accordingly, this component is assessed constantly.

Investee companies are monitored on an ongoing basis, their assessment being continuously updated in the light of these criteria.

7. COMMUNICATION WITH INVESTEE COMPANIES

The Bank believes that communication with investee companies is essential for monitoring its investment positions, helping to create value in the long term. The monitoring of the investee company's strategy and of its implementation, by the management, is crucial to assess the investee companies on an ongoing basis.

Communication between the Bank and investee companies takes place through various channels, including one-to-one meetings, group meetings where other shareholders attend, participation in conferences at which the investee company is present and supplies an update of its strategy, or any regular contacts with the management team of investee companies that the Bank may deem necessary.

Issues, such as, assessment of the investee company's strategy, its prospects, changes to its capital structure and aspects related to the ESG perspective, including identification of potential risks within this component, are discussed in these communications.

8. VOTING RIGHTS

The principles that guide the Bank's voting policies/regulations are not restricted only to issues related to the strategic vision of the investee companies, but, rather, there is heightened concern in terms of upholding and safeguarding high standards of corporate governance, transparency and principles of social accountability.

However, the Bank's voting rights are only exercised, as a rule, if the shareholding is material with regard to the share capital and its position in the portfolio managed. For voting purposes, the Bank considers the voting rights immaterial when the size of its shareholding in the company is less than 1%. On the other hand, if the shareholding is greater than 1%, the Bank may exercise its voting rights directly or retain proxy voting services

9. COOPERATION WITH OTHER SHAREHOLDERS

The Bank may cooperate with other asset managers if they believe that doing so is in the investors' interests and such cooperation does not breach any laws, regulations or internal policies.

This cooperation usually takes place by means of formal or informal meetings with other asset managers or investment vehicles.

10. COMMUNICATION WITH STAKEHOLDERS

The Bank may communicate with relevant stakeholders, in order to obtaining more information to assist in the Bank's ongoing engagement with investee companies. The Bank selects the approach deemed to be in its clients' best interests and that does not breach any laws, regulations or internal policies.

11. CONFLICTS OF INTERESTS

The Bank is aware of the possibility of potential or actual conflicts of interests arising in the course of its investment activities, having implemented measures to restrict potential/actual conflicts.

The Bank has a regulation and a procedure¹ intended to detect, prevent and manage conflicts of interests. A key element to mitigate the risk of conflicts of interests is the Bank's structure, which draws a clear line between its investment banking and its portfolio management areas.

Where such conflicts cannot be avoided, The Bank shall identify, manage and monitor the conflicts and, if applicable, disclose them to its clients in order to prevent their interests from being adversely affected.

12. ARCHIVE

This Regulation, and all the documents associated, are subject to the general archiving rules laid down in the procedure PM220 – Archive Management.

13. DISCLOSURE

This Regulation is available on intranet and on the Bank's website and any change to the same should be duly communicated by e-mail to all the Bank's employees.

14. CONTROL OF VERSIONS

Table 1: Information about the Document

Name of the Document	Engagement Regulation
Version	2.0
Prepared by (Name/Department)	Compliance Department
Appreciated on (Committee name)	Executive Committee
Approved by (Committee name)	Board of Directors

¹ ("2 - Conflicts of Interest regulation") and a procedure ("30 - Prevention and Management of Conflicts of Interests").

Table 2: Versions' update

Update and Approval Date	Main Changes
Version 1.0 - 20/09/2020	First draft of the Regulation further to entering into force of GDPR
Version 2.0 - 10/11/2023	Annual Revision Update
Version 3.0 - 25/06/2024	Update of the version with changes made in the context of the bank's activities (Closure of the Equities Department in Portugal & Poland) and the inactivation of the use of the B-Next tool in the context of market abuse.