

# Principles of shareholder engagement

<b>Company</b>	Lysa Fonder AB
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# Background and purpose

Lysa Fonder AB (the 'Management Company') is a company with a licence from the Swedish Financial Supervisory Authority to conduct fund operations.

In accordance with Chapter 15, Sections 9–10 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on investment funds (Fund Regulations), a fund management company must establish internal rules for the use of voting rights linked to the financial instruments included in the funds managed by the Management Company. In addition, a management company pursuant to Chapter 2, Sections 17h-17k of the Swedish Investment Funds Act (2004:46) must adopt principles for its shareholder engagement in shares admitted for trading on a regulated market and issued by a company within the EEA. The principles must show how the Management Company incorporates shareholder engagement into the Fund's investment strategy.

The purpose of these principles is to ensure that voting rights are only used for the benefit of the Fund and the unit holder's interests in accordance with established objectives and investment policies specified in the Fund rules. Furthermore, these principles shall ensure that the Management Company monitors relevant corporate events related to the Management Company's funds and with the Management Company's guidelines for the management of conflicts of interest prevent or manage conflicts of interest that arise when voting rights are exercised.

## Principles of shareholder engagement

With regards to the capital managed on behalf of the Fund unit holders, where the Fund's assets are invested in financial instruments associated with voting rights, the Management Company must exercise an ownership role in the companies in which the funds belong to the major owners or where this is significant for the Fund's return.

The Management Company shall only exercise its ownership influence in the common interests of the unit holders. Voting rights may only be exercised in accordance with each fund's objectives and investment policy as set out in each fund's established fund rules or equivalent document. When exercising ownership, account must be taken of the fact that the conditions vary for different funds, among other things depending on the size of the Fund assets.

In its ownership role, the Management Company shall always strive to ensure that companies, especially where the funds belong to the major owners and/or the Management Company for other reasons considers it to be significant for the funds' returns, act in accordance with relevant laws and regulations and otherwise in accordance with good stock market practice. The Management Company shall act independently in relation to the companies in which the Management Company's funds are owners. This means that as an investor for its managed funds, the Management Company must be free to increase, reduce or liquidate fund holdings.

The Management Company is responsible for continuously monitoring relevant corporate events related to the Management Company's funds, but as a rule the Management Company shall not strive to exercise ownership that aims to directly influence with the management of a company. Hence, the Management Company shall as a rule not actively engage in the company's choice of strategies, business focus or other such issues, unless they become relevant in connection with the acquisition of companies or the transfer of business segments. In light of the above, the

Management Company will normally not collaborate with other shareholders, engage in dialogue with representatives of the portfolio companies or communicate with the companies' stakeholders. The other issues identified by the Swedish Investment Fund Association in its guidelines on shareholder engagement are therefore not considered relevant.

Chapter 5, Section 20 of the Swedish Investment Funds Act states that the Management Company may not acquire financial instruments with voting rights that allow the Management Company to exercise significant influence over the management of a portfolio company. This limitation shall apply to the total holdings in all of the Management Company's managed funds. Chapter 5, Section 19 of the Swedish Investment Funds Act sets out further restrictions on the funds' respective holdings of an individual company's outstanding financial instruments.

In its ownership role, the Management Company may choose to sell shares in a company, as an expression of the exercise of ownership, which may be a strong signal that changes in how the company conducts its business are deemed necessary.

## Monitoring of company events

The Management Company tracks and monitors the performance of the companies through published financial information, relevant market channels and direct information from the Depository. The Management Company may also have direct contact with companies.

## Shareholder engagement reports

An account of how the principles for shareholder engagement have been applied is published annually on the Management Company's website.

The report contains a general description of the Management Company's voting behaviour in the companies, for example if the Management Company has regularly voted in a certain way on a certain type of issue or if the Management Company has chosen not to exercise its voting rights. If an institutional investor has invested in a fund and the fund's assets are invested in equities admitted for trading on a regulated market and which have been issued by a company within the EEA, the fund's annual report shall also include the content set out in Chapter 31, Section 54a of the Fund Regulations.

The Management Company will not report voting behaviour that is insignificant, for example, in connection with procedural issues or where the Management Company has a very small proportion in relation to its holdings in other companies.

## Contact person for ownership issues

The Management Company has decided that the Management Company's CEO is responsible for corporate governance issues.