



———— LION CAPITAL ————

**ENGAGEMENT POLICY
AND PRINCIPLES ON
EXERCISING THE VOTING RIGHTS
FOR THE PORTFOLIO UNDER THE MANAGEMENT OF
LION CAPITAL**



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1. PURPOSE OF THE POLICY

This policy sets out the rules under which Lion Capital S.A. (hereinafter referred to as the “Company” or “Lion Capital”) exercises the voting rights attached to the financial instruments held in its portfolio and explains how shareholder engagement is incorporated into its investment strategy.

The primary purpose of this policy is to ensure responsible and transparent engagement with the portfolio entities of Lion Capital, exclusively in the best interests of investors.

The scope of the Shareholder Engagement Policy covers issuers of financial instruments held in Lion Capital’s portfolio that are incorporated within the European Union and whose shares are admitted to trading on a regulated market.

This policy has been prepared in accordance with the provisions of the following legal acts:

- Law no. 24/2017 on issuers of financial instruments and market operations, as republished and subsequently amended and supplemented
- Directive (EU) 2017/828 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement
- ASF Regulation no. 2/2016 on the application of corporate governance principles by entities authorised, regulated and supervised by the Financial Supervisory Authority (ASF);

and taking into account the provisions of Lion Capital’s Articles of Association and its internal regulations.

The above-mentioned legal framework requires Alternative Investment Fund Managers (AIFMs) to develop and disclose information regarding their shareholder engagement policy, describing how shareholder engagement is integrated into their investment strategies, including the management of actual and potential conflicts of interest, and the principles governing the exercise of voting rights attached to financial instruments held in the managed funds’ portfolios.

Lion Capital shall act in the best interests of its shareholders and pursue an active engagement strategy with respect to the issuers of financial instruments in which it invests, aiming to enhance their medium- and long-term value creation potential and, consequently, the risk-adjusted performance for its investors. The extent of such engagement will depend on Lion Capital’s influence over the issuer and the relative size of its holdings. Active engagement refers to the monitoring of issuers, the dialogue with their representatives, and the exercise of rights arising from the capacity of shareholder or investor, including voting rights.

The engagement policy describes how Lion Capital:

- a) monitors the relevant matters related to the issuers in which it has invested, including strategy, performance and financial and non-financial risks, capital structure, social and environmental impact, and corporate governance
- b) has dialogues with the issuers in which it has invested
- c) exercises voting rights and other rights related to the shares
- d) cooperates with other shareholders and communicates with relevant stakeholders in the issuers in which it has invested
- e) manages the actual and potential conflicts of interest related to the engagement of Lion Capital.

Lion Capital provides investors with information on the engagement policy and the principles on exercising the voting rights related to the instruments held in the portfolio under management, as well as its important changes.

2. MONITORING OF ISSUERS

The company has an internal organizational structure responsible for the investment process - the Operations Department – which ensures the substantiation and support of investment decisions, the ongoing monitoring of portfolio issuers, and the exercise of Lion Capital’s rights in connection with corporate events occurring within the portfolio issuers.

Lion Capital monitors the relevant matters related to issuers in the portfolio, including strategy, performance and financial and non-financial risks, capital structure, social and environmental impact, and corporate governance.



Relevant events are considered to be those factors likely to influence the company's market value, including both financial aspects and environmental, social, and corporate governance (ESG) factors, which may have a material impact on the medium- and long-term performance of the companies.

The employees of the Operations Department constantly monitor the important events that occur at the level of the issuers in the portfolio. This monitoring includes, but is not limited to, the following:

- a) information on the convening and holding of general meetings of shareholders and, where applicable, meetings of other holders of financial instruments
- b) information on the distribution and payment of dividends, coupons, the issuance of new instruments, including distribution, subscription, waiver and conversion operations
- c) information on the appointment of a paying agent, through which shareholders can exercise their financial rights
- d) information regarding the change of the shareholding structure or the management of the issuers
- e) information regarding the change of the constitutive acts of the issuers
- f) analysis of the annual / half-yearly / quarterly reports, as well as the reports of the board of directors and other available communiqués related to the activity of the analysed company
- g) analysis of financial statements
- h) analysis of other reliable public information - rating analysis, etc.
- i) monitoring the level of compliance with the corporate governance principles applicable to the trading venues on which the instruments issued by the portfolio companies are admitted to trading
- j). monitoring sustainability-related components with a view to identifying potential risks, particularly those related to environmental, social, and corporate governance (ESG) factors, based on the information disclosed by issuers in accordance with the applicable legal framework.

The monitoring of the companies in the portfolio is carried out in accordance with the provisions of the internal procedure regarding the monitoring of investments.

The employees of the Operations Department have the task of monitoring the corporate events occurring for the issuers in the portfolio. At the same time, they have the task of collecting the information necessary to substantiate the voting decision. Investments in financial instruments are made in accordance with the objectives of the investment strategy and in compliance with the annual activity programs presented and approved in the general meeting of shareholders.

Shareholders are informed through periodic (quarterly, half-yearly, annual) reports on the progress of the value of the financial asset portfolio and the investments made. The periodic reports include information on the monthly changes in net asset value and a detailed breakdown of investments. All such reports and statements are made available to investors on the Company's website and on the website of the market operator (Bucharest Stock Exchange).

3. DIALOGUE WITH THE ISSUERS

In addition to monitoring the issuers, the employees of the Operations Department engage in dialogue with the representatives of the portfolio issuers in order to obtain a comprehensive understanding of the company's financial and non-financial position, including sustainability-related aspects.

Dialogue with company representatives can take place through company headquarters visits, conferences, teleconferences, written correspondence, other meetings and events.

4. EXERCISING OF VOTING RIGHTS

4.1 General Principles

Lion Capital seeks to ensure, in an informed manner, the exercise of voting rights held in issuers in the portfolio in accordance with the objectives and investment policy approved by the Board of Directors, for the benefit of Lion Capital and its investors and to maximize the investment value.

In the context of the new regulatory framework, Lion Capital supports companies in which it is at least a significant shareholder to integrate sustainability into their business strategy, incorporate sustainability-related risks, and consider adverse impacts on sustainability, sustainable investment objectives, or the promotion of environmental or social characteristics in their business decision-making processes.



The formalities and steps required to prepare the exercise of voting rights are carried out within the Operations Department, under the coordination of the responsible executive directors. In exercising voting rights, the employees of the Operations Department shall comply with applicable regulations, this Policy, as well as internal rules and procedures, in order to act or make proposals always in the best interest of Lion Capital, in accordance with the portfolio objectives, investment strategy, and risk limits.

Within the Operations Department, monitoring of corporate events occurring at portfolio companies is conducted through the collection of information provided by issuers, necessary for substantiating voting proposals.

Lion Capital employees adhere to internal policies and procedures to prevent or manage any conflicts of interest that may arise from the exercise of the Company's voting rights.

Employees of the Operations Department shall undertake, in a timely manner, all necessary steps to reach an internal decision on whether or not to exercise voting rights at portfolio issuers, particularly regarding decisions that may impact the issuers' operations or the interests of Lion Capital, taking into account the relative shareholding in each issuer.

For routine matters without material impact on the company's operations or Lion Capital's interests, in the case of minor holdings, or where Lion Capital considers it in its interest not to vote at a general meeting, the Company may decide not to exercise voting rights. In cases where Lion Capital considers it in its interest to vote for or against a resolution, it will act accordingly.

In exercising voting rights, Lion Capital shall adhere to the principles set out in this Policy, which are intended to promote decisions that maximize the value of the issuer and help avoid conflicts of interest.

The decision to exercise / not to exercise the voting right will be taken based on factors such as:

- (i) The country in which the issuer has its registered office;
- (ii) The strategy on which the decision to invest in the instruments issued by that issuer was based on (e.g. short-term investments, long-term investments);
- (iii) Administrative costs or any other related costs;
- (iv) Percentage of share capital / voting rights held;
- (v) The potential effects or consequences of the decisions on the items on the agenda.

In all cases in which it exercises the voting right, Lion Capital's employees will individually analyse / assess each resolution submitted to the vote, at least from the perspective of:

- (i) how it affects the issuer's assets;
- (ii) how it affects the issuer's financial and non-financial performance;
- (iii) how it affects the rights and interests of Lion Capital and other holders of financial instruments;
- (iv) the impact on social and environmental factors as well as those related to corporate governance structures within issuers;
- (v) possible conflicts of interest arising from the interests of the persons of the management structures within the issuers as well as those of other holders of financial instruments, their affiliates / subsidiaries / group companies.

Lion Capital employees shall assess each resolution submitted for vote on a case-by-case basis, ensuring that, based on the available information, the decision made best serves the interests of Lion Capital. In situations where it is considered in Lion Capital's interest to oppose a resolution, the vote shall be cast against the proposed resolutions. As a general principle, Lion Capital will oppose any decisions aimed at removing or restricting shareholder rights (e.g., limiting shareholders' right to request the convening of general meetings, to request the addition of items to the agenda of convened meetings, or to exercise voting rights, etc.).

4.2 Exercising the vote

As a general rule, Lion Capital exercises its voting rights using any of the forms of participation and representation at general meetings provided for by applicable law and the articles of incorporation of the issuers, as follows:

- direct participation through a legal representative;
- using electronic or mail voting;
- by representation (general or special empowerment) at the general meetings of shareholders.



In certain situations, the exercise of the voting right may involve difficulties, such as: the requirement to exercise the vote in person or various requests making it difficult to vote by mail. In such situations, Lion Capital will evaluate the benefits of voting in relation to the associated costs.

Voting can also be exercised by proxy/empowerment, with the obligation of the proxy to vote according to the instructions given by Lion Capital. Lion Capital will make sure that the third party will exercise this voting right in accordance with the instructions given.

Lion Capital will keep a record of the manner of exercising the voting rights for a period of at least 5 years.

4.3 Principles of voting policy adopted by Lion Capital

Lion Capital seeks to exercise voting rights in an informed manner, and its engagement policy aims to promote long-term, sustainable, and transparent value creation.

The employees of the Operations Dept. analyse each proposed vote / resolution submitted to the vote, aiming to make the proposal based on the available information that best serves the interests of Lion Capital and its investors.

Main resolutions subject to voting at general meetings and voting principles:

Shareholders Rights

Lion Capital supports the equal treatment of shareholders, according to the principle “one share - one vote” and will oppose any measure aimed at limiting shareholders rights, except in cases permitted by law, based on a diligent assessment of the effects on the issuer and on Lion Capital’s interests. At the same time, Lion Capital will support the confidentiality of the vote and the facilitation of the expression of the vote by the shareholders, including by electronic means.

Annual Report and Financial Statements

Financial statements must reflect the company’s financial position with the highest level of transparency. If the quality of information is deemed unsatisfactory, Lion Capital will request additional / clarifying information. However, if the information remains at an unsatisfactory level, Lion Capital will abstain from voting or vote against the approval of the financial statements of the respective company.

Appointment of Financial Auditor

Lion Capital pays attention to the independence of the financial auditor, so that the annual financial reports are subject to an objective verification. In cases where Lion Capital has concerns regarding the independence of the financial auditor, it will vote against their appointment.

The Board of Directors

Lion Capital will support a Board of Directors consisting of people who stand out for their professional qualities and impartiality. In this sense, in the evaluation of the candidacies for the position of administrator (member of the Board) their detailed CV, experience, good reputation, connection with the company / field of activity, respectively the objectives they propose will be analysed.

Lion Capital will vote against the discharge of the administrators in case there are doubts regarding their performance or in case there is evidence regarding deviations from the legal provisions.

Remuneration Policy

Lion Capital will vote for a remuneration policy for administrators (members of the Board) that is related to the long-term performance of the company and that is consistent with the responsibilities of the directors and the financial situation of the company. The remuneration policy promoted by the remuneration committee must consider the specific situation of the company, the industry benchmarks, in line with the long-term strategy and performance of the company. The information regarding the fixed and variable remuneration of the managers must be explicit, in accordance with the strategy and long-term performance of the company and within the limits of market standards.

Company’s Capital Structure

Lion Capital will vote in favour of the share capital increases insofar as they serve the long-term development of the respective company. Share capital increases must provide for the right of pre-emption for existing shareholders, and if the issue of new shares is made without the right of pre-emption, it is necessary that the management of the company motivate it and the operation must not lead to a significant dilution of the position of existing shareholders.

Lion Capital will vote for buyback programs, if they correspond to the best interest of the company's shareholders.



Mergers and Acquisitions

Lion Capital will analyse and evaluate the benefits of potential mergers and acquisitions individually. Lion Capital will vote in favour of these transactions if the following conditions are met: (i) the transaction price properly reflects the value of the company; (ii) the proposed transaction contributes to creating shareholder value; (iii) the management of the company can demonstrate that the interests of the shareholders are not affected if the transaction involves related parties.

Environmental, Social, and Governance (ESG) Factors

Lion Capital will review proposals and informational materials provided by issuers to assess the impact of environmental, social, and governance factors on the company's operations, including the level of transparency in these areas (e.g., through the publication of sustainability reports or policies on sustainable investments). ESG matters presented by issuers to shareholders and submitted for voting may be subject to general analysis, provided they are disclosed by the issuer as having a material impact on the company, taking into account the information supplied by the issuer.

As a general principle, Lion Capital will vote in favour of proposals addressing environmental, social, and governance factors that promote responsible corporate conduct and enhance the long-term value of the company in the interests of shareholders. Additionally, Lion Capital will generally support proposals under which issuers commit to reporting on their policies, initiatives, and oversight mechanisms regarding environmental, social, and governance factors.

5. COOPERATION WITH OTHER SHAREHOLDERS

To promote good corporate governance, efficient risk management, economic and financial performance and the adequacy of information made public, Lion Capital may cooperate with other shareholders of issuers in the portfolio under management. Cooperation with the shareholders of the same issuer shall be carried out in compliance with the applicable laws and regulations in this field and with internal policies, rules, and procedures. Cooperation with other investors may normally take place at formal investor meetings (e.g. at general shareholders' meetings) or at informal meetings / meetings with other investors.

Lion Capital may cooperate with other investors, especially in cases where a certain stake is required for the exercise of certain rights of shareholders (e.g. the right to enter items on the agenda, the right to propose draft decisions, the right to convene the general meeting, the right to request the financial auditor to draw up special reports, etc.).

Lion Capital may also cooperate with other investors with the aim of approving or opposing a specific resolution at a general meeting of shareholders, taking into account the applicable legal framework, the corporate interest, the interests of Lion Capital and other shareholders, as well as any situations that may be considered by law as presumptions of concerted action. Isolated cooperation with other shareholders does not imply the existence of a common policy regarding specific issuers and cannot give rise to concerted actions in relation to those issuers.

6. MANAGEMENT OF ACTUAL AND POTENTIAL CONFLICTS OF INTEREST RELATED TO LION CAPITAL'S ENGAGEMENT

Lion Capital applies internal rules and procedures aimed at preventing conflicts of interest through the implementation of measures proportionate to the nature, size, and complexity of its activities. Specific tools and mechanisms are used to identify potential conflicts of interest promptly, enabling the adoption of the most appropriate preventive or management measures. In cases where conflicts of interest cannot be avoided, Lion Capital ensures their proper management, safeguarding the interests of Lion Capital and its shareholders, in compliance with legal requirements and the Company's internal procedures on conflicts of interest.

All decisions regarding engagement and the exercise of voting rights at issuers within the managed portfolio are made in the interest of Lion Capital shareholders. In all cases, internal rules and procedures as well as legal requirements on conflicts of interest are taken into account. Lion Capital will abstain from voting in situations where a conflict of interest may arise regarding an item on the agenda of a general meeting, if such abstention is in the best interest of Lion Capital and its shareholders.

In accordance with Article 74(4) of Law no. 24/2017 on issuers of financial instruments and market operations, and Article 138 of ASF Regulation no. 5/2018 on issuers of financial instruments and market operations, Lion Capital, through its management structure, does not intervene by giving direct or indirect instructions or by any other means, and does not exercise influence over the exercise of voting rights attached to assets managed by



its subsidiaries. Individuals deciding on the exercise of voting rights within entities held by Lion Capital S.A. act independently, and their management structures enjoy full decision-making autonomy regarding voting rights attached to the assets they manage. Voting rights attached to holdings owned by Lion Capital or its subsidiaries are exercised by each entity in its own interest, and not in the interest of the group.

For the avoidance of doubt, and without affecting the decision-making autonomy of the held entities, such autonomy does not preclude occasional cooperation between Lion Capital S.A. and these entities, within the limits permitted by law (e.g., as allowed under Article 2(3) of Law no. 24/2017).

7. UPDATE OF ENGAGEMENT POLICY

The engagement policy will be periodically reviewed, in the interest of Lion Capital shareholders, if there are situations or considerations that require revision or in case of new regulations, bringing significant changes.

8. AVAILABILITY OF ENGAGEMENT POLICY

The engagement policy is available on company's website www.lion-capital in the *Corporate Governance* section.

Lion Capital will inform the investors in the Annual Report on the implementation of the Engagement Policy, also including an overview of the activity regarding the exercise of voting rights, in the case of issuers in which the voting power of Lion Capital is of strategic importance, in accordance with the provisions of this engagement policy.

This issue of the engagement policy was approved by the Board of Directors by Decision no. 3 of October 27, 2025.

Chairman and CEO
Bogdan-Alexandru Drăgoi