

## SHAREHOLDER RIGHTS DIRECTIVE II – DISCLOSURE OF ENGAGEMENT POLICY

### **BACKGROUND**

Directive (EU) 2017/828 of 17 May 2017, amending Directive 2007/36/EC, as regards the encouragement of long-term shareholder engagement also referred to as the Shareholder Rights Directive II (“SRD II”), introduces new transparency obligations on institutional investors and asset managers (including investment firms providing discretionary asset management services). SRD II, of which the scope is limited to shares whose issuer is a European Economic Area company and which are listed on a regulated European market (“Listed Companies”) was transposed on 1 October 2021 into Liechtenstein law (the “Law”).

The Law requires, among others, Banque Havilland (Liechtenstein) AG (the “Bank”) to develop and publicly disclose an engagement policy that describes how it integrates shareholder engagement into its investment strategy or disclose a clear and reasoned explanation as to why it has chosen to not develop and disclose its engagement policy.

### **ENGAGEMENT POLICY DISCLOSURE**

The Bank decided to not develop and publicly disclose an engagement policy describing how the Bank integrates shareholder engagement in its investment strategy.

In its quality of discretionary assets manager, the Bank’s investment strategy consists of investing clients’ portfolio under management, among others, in:

- Units or shares of undertakings for collective investment;
- Companies’ shares admitted to trading on a regulated market;
- Companies’ shares not admitted to trading on a regulated market;
- Bonds;
- Derivatives; and
- Other transferable securities.

The Bank’s investments in Listed Companies are considered as “non-material holdings” (less than 0.5% on average per issuer capitalization). The Bank believes that these holdings would not grant a shareholder the necessary powers to allow effective exercise of the essential rights of an engaged shareholder, such as, and without limitation, conducting dialogues with investee companies, or cooperating with other shareholders and communicating with relevant stakeholders of the investee companies. The Bank believes that its position does not contravene the purpose of and the aim pursued by the Law because of the principles of proportionality that have to be applied in the implementation of SRD II and deriving from Commission Implementing regulation (EU) 2018/1212.

The Bank however recognises a responsibility for stewardship oversight and therefore monitors investee companies during the term of investments, in each case to the extent appropriate for the relevant client mandate. The Bank’s qualitative assessment of investee companies takes into account the corporate governance and management quality, and their respect of ESG principles, as we believe these factors have a material impact in the long-term shareholder value creation (please also refer to the SFDR Disclosure on Sustainability Risk in Investment Decision Making Process, available on the Bank’s website).

*Please refer to the Bank’s Conflict of Interest Policy, available on its website, if you would like to read how the Banks manages actual and/or potential conflicts of interest.*