

# ENGAGE?



## How to Vote & Engage as a Citizen owning Listed Equity

**Legal owners of equities have important rights to engage directly in leading the company and matters of corporate policy:**

- ✓ The shareholder is entitled to participate in the general meeting and vote at it!
- ✓ The shareholder is entitled to request and receive at the general meeting from the company an explanation of matters concerning the company or persons controlled by it!
- ✓ The shareholder is entitled to apply proposals and counterproposals to matters included on the agenda of the general meeting!

*and benefit from additional rights as qualified shareholder, when they own equities whose aggregate nominal value reaches at least:*



- 1% of the share capital in a company whose share capital is higher than CZK 500,000,000
- 3% of the share capital in a company whose share capital is higher than CZK 100,000,000
- 5% of the share capital in a company whose share capital is lower than CZK 100,000,000

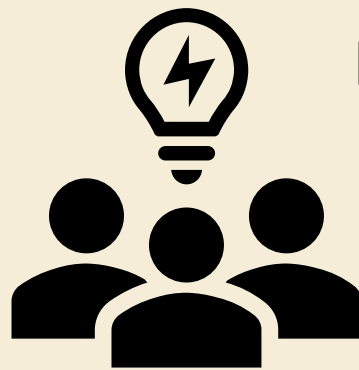


However, only a few can engage and vote as 'beneficial owners' and most depend on 'agency' owners

❑ Beneficial owners (or end investors) bear the risks, costs and rewards of ownership



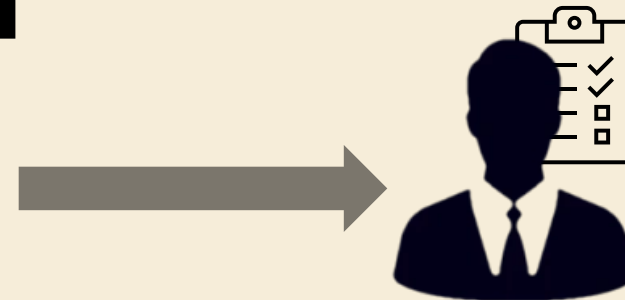
❑ Agency owners are financial intermediaries who bear none of the risk, losses or rewards



ESG investor



Stock exchange



In the case of unlisted equities, it might be even more challenging to engage, execute your rights and express your preferences

# How to Vote & Engage when you are only the beneficial (legal) owner?

1

## Stock Exchange Members

11 Banks and 6 Investment Companies

2

## Stock Investment Funds

24 Investment Companies

3

## Pension Funds

9 Pension Funds Managers

4

## Employee Share Ownership

### Who decides on voting rights?

You have the legal right to vote or to give a proxy to another shareholder to vote on your behalf. Whether you can easily exercise this legal right is another story...

The investment fund management company.

The fund management company.

You have the right to vote, you can also e.g., appoint or dismiss the Board etc.

### How can you engage as owner?

You can check the annual reports and statements of the company and express - if any - your preferences associated with the shares.

You can check the fund's portfolio, contact the fund management company, inquire its voting policy, and express - if any - your preferences associated with the shares.

Same as for 2, but you have to contact the insurer first to ask the fund management company to align its voting with your preferences associated with the shares.

You can check the annual reports and statements of the company, control the management, and express your preferences associated with the shares.