
Investment Governance Policy (I-CODE)



Principle 1: Adopt a Clear Written Investment Governance Policy.

In determining appropriate investment opportunities, the primary philosophy of equity investment teams is fundamentally driven, bottom-up active management. At King Wai Asset Management (Asia) Company Limited, called “KWIAM”, a fundamental investment process goes beyond financial statement analysis. This includes, but is not limited to, meeting company management, voting proxies in the best interest of its clients as shareholders, and generally engaging the company, when necessary, to enhance the long-term value of its client’s investments.

As part of our Environmental, Social and Governance (“ESG”) policies, this document describes our philosophy on stewardship in relation to Thai SEC’s I-CODE and the UK Stewardship Code. The I Code Policy us a guidance for investment supervision of institutional investors in accordance with international practice as follows:

- 1) KWIAM creates and strengthens an investment governance culture through all levels of the company, from the Board of Directors and its committees (including the Investment Committee), to management, and staff in relevant business units.
- 2) KWIAM is responsible for commensurate with the Institutional Investor’s business profile (including size and structure) and its role in the investment chain KWIAM performs its investment duties and stewardship responsibilities in the best interest of clients, by making sound investment decisions, and effectively monitoring the investments, business and ESG performance of Investee Companies.
- 3) KWIAM will perform our duties in compliance with applicable laws, regulations, client agreements, enhanced monitoring, disclose voting policy in the best interest of our clients, and with the application of sound investment governance practices in relation to the following topics: ESG’s Performance, Anti-Corruption, Prevention of unfair securities trading and prevention of money laundering and terrorist financing.



Principle 2: Properly Prevent and Manage Conflicts of Interest and Prioritise Advancing the Best Interest of Clients

Portfolio managers are required to comply with KWIAM written policies regarding potential conflicts of interest that may arise between the interests of its clients and the interest of KWIAM, its affiliates, and/or employees. Pursuant to this policy, KWIAM deems to ensure that adequate measures to prevent, identify, minimize, and manage conflicts of interest are in place as follows:

- 1) KWIAM has a written policies for the prevention, identification, minimization, and management of conflict of interests.
- 2) KWIAM has Staff communication and training to ensure understanding and effective application of conflict of interest procedures.
- 3) KWIAM has a compliance control and audit measures for the application of the conflict of interest policies and procedures.

Principle 3: Make Informed Investment Decisions and Engage in Active Ongoing Monitoring of Investee Companies.

As fundamental, long-term investors, KWIAM recognizes that monitoring investee companies is at the essence of its investment management philosophy and process. ESG principles, Corporate Governance, Social Responsibility and Environment, are comprised the risk of an investment, KWIAM investment teams evaluate ESG factors as part of their investment decision-making process. The exact integration of ESG factors into the investment process varies depending on the investment team. Investment teams, including investment analysts and portfolio managers shall conduct fundamental analysis by bottom-up approach, News and research which including company profile, sector, internal and external factors, corporate governance, and industry analysis to identify investment opportunities. In addition, The Board of Directors of Investee Companies should promptly engage and aware of ESG Factors that relevant to the value of its company. Once a position is established in a company, ongoing monitoring and analysis is conducted to ensure that the original investment thesis holds true. This analysis includes, but is not limited to, financial models, valuation analysis, and meetings with company management.



Principle 4: Apply Enhanced Monitoring of and Engagement with the Investee Companies if Monitoring pursuant to Principle 3 is Considered Insufficient.

Investment teams often meet company management as part of their fundamental research process. The meetings provide analysts and portfolio managers with insights into management quality, business drivers, and the strategies of the companies in which they invest. In addition, these meetings allow investment teams to assess companies' risk exposure to ESG factors and the companies' management of that exposure to protect shareholder value. Where appropriate, the specialist ESG analyst also participates in meetings with companies alongside the analysts and portfolio managers from the team.

If KWIAM also views engagement as a tool to enhance the long-term shareholder value of the companies in which its clients are invested. When appropriate, investment teams will engage investee companies to express views with senior management and board members. Methods employed may include proxy voting, direct communication with investee company management, and, if necessary, escalating concerns to the investee company's board of directors. Finally, investment teams may choose to sell a security if that action is deemed to be in the best interest of the client.

Principle 5: Have a Clear Policy on Exercising Voting Rights and Disclosure of Voting Results.

KWIAM is willing to act collectively with other investors when it is determined that action is necessary to protect the interests of the client's investment, but only insofar as those actions are not prohibited by law or regulation. KWIAM will make decisions with careful consideration of all relevant information according to the Proxy Voting Policy.

Principle 6: Act Collectively with Other Investors and Stakeholders as Appropriate.

Collaboration with other investors and stakeholders may be the most effective way to resolve concern about business or ESG performance identified by the Institutional Investors that have not been resolved through the Institutional Investor's engagement with Investee Companies. Company will provide a reasonable coordination with other institutional investors. In Addition, KWIAM has adopted the Proxy Voting Policy. The policy and related procedures seek to ensure that proxies are voted in the best interests of its clients and that proxy voting activities



adhere to the requirements of all applicable rules and general fiduciary principles. The Proxy Voting Policy is not intended to cover every possible situation that may arise during business, but rather to act as a decision-making guide. It is subjected to change and interpret from time to time as facts and circumstances dictate.

When KWIAM is granted and accepts responsibility for voting proxies for client accounts, it will seek to ensure proxies are received and voted in the best interest of the individual client with a view toward enhancing the value of the equity securities held in the client's account. For companies in which KWIAM has a material holding (above 3% of issued share capital), typically the voting is overseen by the investment teams who own the security in question, who will vote in line with the corporate governance principles set out in our ESG Policy and in accordance with the KWIAM's Proxy Voting Policy.

KWIAM may refrain from voting a proxy due to logistical considerations that may have a detrimental effect on its ability to vote such a proxy. Examples could include, where underlying securities have been lent out pursuant to a client's securities lending program, in cases where there is insufficient information to make a voting decision, or where market practices make it expensive to vote compared with the benefits of doing so. Additional disclosures will be provided for certain proxy-related affairs in line with the requirements of the I-Code.

KWIAM is seeking to ensure that proxy votes are cast in each client's best interests and, if there is any potential conflict of interest. KWIAM Investment Committee including Chief Investment Officer, Equity Portfolio Manager, Fixed Income Portfolio Manager, Head of Legal and Compliance, Investment Compliance and Risk Manager, or relevant persons have responsible to concern about Proxy Voting when Situation is abnormal. All of voting activities are considered confidential and are reported to clients as requested by The SEC.

Principle 7: Regularly Disclose the Investment Governance Policy and Compliance with the Policy.

KWIAM intends to review Investment Governance Policy annually, as suggested by the Committee, and will update its statement of commitment accordingly if there are any material changes to the Proxy Voting Policy or any other relevant process. KWIAM has publicly disclose the I-Code Policy on the website to enhance publicly understanding to its partners.