

# Investment Governance Code Policy

Krungsri Asset Management Company Limited (“ the Management Company”) as the investment manager recognizes our duty to manage investment with good governance responsible, honest, transparent and be able to create growth for sustainable benefits for clients and unitholders as well as to motivate and push listed companies to conduct business with good governance with social and environmental responsibility ("ESG") for long-term sustainability. This will to ensure that our investment process can deliver returns in line with our client’s objectives and sustain value including affecting to the economics.

Investment Governance Code Policy (I-Code) is adopted by the Board of Directors of the Management Company. This code is a statement of the Management Company’s commitment and is the guidance for investment supervision of institutional investors in accordance with international practices. This policy shall apply to all Board of Directors, the Investment Committee, all members of the Fund’s investment team and all staff.

## **The principle of the Investment Governance Code Policy**

### **1. Adoption of a clear written Investment Governance Code Policy**

The Management Company shall adopt a clear written Investment Governance Code Policy and measures in relation to the following topics:

- 1.1 Performing duties in compliance with applicable laws, regulations, client agreements, in the best interest of the clients.
- 1.2 Integrating Investee Company’s ESG issues in the Management Company’s investment decision.
- 1.3 Ensuring that the compliance with anti–corruption measures is adequate, appropriate and efficient (as specified in the Anti–corruption Policy of the Management Company).
- 1.4 Preventing the use of inside information (as specified in the Insider Trading Policy of the Management Company).
- 1.5 Ensuring that the Management Company would not be used as a channel or an intermediary for money laundering and terrorist financing (as specified in the Anti Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Policy).

## **2. Proper management of Conflict-of-interest for the best interest of clients**

- 2.1 The Board of Directors shall ensure that the Management Company have an organization structure with systems and controls that enable the Board of Directors and the Executives to ensure that investments are managed in the best interest of clients, that conflict of interest are prevented, identified, minimized and properly managed, and that the interest of clients are prioritized over the interest of the Management Company and its shareholders and business group companies.
- 2.2 The Board of Directors shall ensure that the Management Company has an organization culture which emphasizes and prioritizes creating durable investment returns for clients. The Management Company shall have written policies and procedures for the prevention, identification, minimization and management of conflict of interest.
- 2.3 The Management Company shall have staff communication and training to ensure understanding and effective application of conflict of interest procedures.
- 2.4 The Management Company shall have compliance control and audit measures for the application of the conflict of interest policies and procedures.
- 2.5 The Management Company shall have an effective whistle-blowing policy.
- 2.6 The Management Company shall have regular review of the appropriateness and effectiveness of conflict of interest measures.
- 2.7 The Management Company shall select the Related Service Providers who perform activities consistent with the Investment Governance Code Policy. The monitoring shall be made on a yearly basis.

## **3. Informed decision-making and active ongoing monitoring of Investee Companies**

- 3.1 The Investment Committee shall have in place processes and procedures for active ongoing monitoring of the performance of Investee Companies.
- 3.2 The Investment Committee shall monitor the performance of the Investee Companies.
- 3.3 The Investment Committee shall monitor identified internal and external factors relevant to the value of the Investee Companies.
- 3.4 The Investment Committee shall ensure that the strategy, leadership and corporate governance of the Investee Companies are effective.
- 3.5 The Investment Committee shall take into consideration and actively monitor the commitment of Investee Companies to ESG principles.

**4. Enhanced monitoring of and engagement with Investee Companies on identified issues of concerns that may have a material impact on investments and the best interest of clients**

- 4.1 If there is an issue of concerns over the Investee Companies' strategies, business performance, risk management or ESG issues that may have a material impact on investments or an issue for discussion or inquiries for the benefits to the fund, Investment Committee shall authorize a fund manager/analyst to discuss the issues with the Investee Companies.
- 4.2 In the event the engagement of Investee Companies is unsuccessful, the Management Company shall escalate the actions in relation to the Investee Companies as necessary, such as:
  - 4.2.1 Formally notifying the Investee Companies the issue of concerns.
  - 4.2.2 Notifying the Investee Companies of the Management Company's voting decision prior to the shareholders' meeting and subsequently exercising such voting rights at the relevant meetings.

**5. Disclosure of voting policy and the results of exercising voting rights in Investee Companies**

- 5.1 The Management Company shall cast affirmative vote for the agenda that is deemed to be the utmost long term benefit to the Investee Companies, fair to all shareholders in general and transparent. On the contrary, the Management Company shall cast disapproval vote against the issue that does not comply with the principles. The Management Company will also take into account of the responsibility of the Investee Companies in relation to the environmental, social, governance and anti-corruption issues.
- 5.2 The Management Company shall disclose the information relating to the voting in meetings of shareholders to the investors for access and knowledge in various channels such as annual reports to mutual fund investors, reports to private fund investors and website of the Management Company, etc. The disclosure shall include the following details;
  - 5.2.1 The Management Company's Proxy Voting Policy
  - 5.2.2 Corporate action result reported annually and detailed significant voting issues, including any conflict of interest between the Management Company and Investee Companies and any transaction involving the Management Company's parent company or other business group companies

**6. Collective engagement**

The Management Company shall collaborate with other investors and stakeholders to resolve concerns about business or ESG performance that have not been resolved through the Management Company's engagement with the Investee Companies.

**7. Disclosure of Investment Governance Code Policy and information about the level of compliance with the Investment Governance Code**

The Management Company shall communicate, promote and publicly disclose the Investment Governance Code Policy and the Investment Governance Activities internally and externally to the investors for access and knowledge in the Management Company's website.