Proxy Voting Policy

Krungsri Asset Management Company Limited ("the Management Company") has set forth the voting policy for meetings of shareholders on behalf of the Fund and the policy for the disclosure of voting information according to announcement issued by the Securities and Exchange Commission (the SEC) taking into account of long-term utmost benefits of the Fund.

1. Consideration on Agenda

The Investment Committee is responsible for giving opinions on voting in meetings of shareholders of securities invested in by the Fund. The voting will be in accordance with the objectives and the policy of the Fund and will not constitute conflict of interest. The supporting documents for making decisions must be fully furnished in advance before the date of meetings of shareholders. The documents prepared for making decisions in each agenda will be in writing and kept as evidence.

2. Persons Assigned to Cast Vote on behalf of the Fund

The Management Company has a policy of giving proxy to the chairman of auditing committee, members of auditing committee, and independent committee to cast vote on behalf of the Fund in case the Fund is a shareholder in any business. The proxies must have good knowledge and understanding in the issues for which the vote will be cast and do not have beneficial relationship with the Management Company.

3. Conditions of Appointing Proxy to Persons Assigned to Cast Vote on behalf of the Fund

(1) The company's business must run its business as normal. The securities, such as debenture, are not in default of payment or has potential to fail to make the payment; or

(2) The Fund holds shares in the company for not more than 4% of its registered capital. Except, in the event of force majeure, regardless of the shareholding proportion in the company, the fund may appoint proxy to the independent committee of such company for which the fund is a shareholder; or

(3) The meeting of IC passes a clear resolution for each agenda without issues for discussion or inquiry.

(4) The persons assigned to be the proxy must have clear understanding of the voting policy.

(5) The persons assigned to be the proxy must not have any conflict of interest.

If an agenda in a meeting has material effect or has issues for discussion or inquiries for the benefits to the Fund, the Management Company will authorize the fund manager of the Fund or relevant staff mainly responsible in that particular field of work to vote in the meeting on behalf of the Fund for every case. If other agenda is proposed for voting in the meeting and the Investment Committee does not earlier consider, the proxy shall abstain from casting vote in such agenda.

4. Process and Procedure for Voting on behalf of the Fund

(1) Once the IC has passed resolutions for voting without issues for discussion or inquiry and the shareholding of the company is in accordance with the conditions for giving proxy to the directors to cast vote on behalf of the Fund, the Management Company shall inform the company together with the proxy for casting vote on behalf of the Fund.

(2) The Management Company shall prepare the form for the "report on summary of the voting in meetings of shareholders" with details of the shares held by the Fund, number of shares with the voting right and the resolutions of the IC from every agenda, etc., for the proxies to cast vote in accordance with the resolution of IC.

(3) The Management Company by the Compliance Department will investigate whether the voting result in each agenda is accurate, complete and in accordance with the resolution passed by the IC.

5. Voting Principles for Meetings of Shareholders

The Management Company shall cast affirmative vote for the agenda that is deemed to be the utmost long-term benefit to the company, 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 good principles. The Management Company will also take into account of the responsibility of the company in relation to the environmental, social, governance and anti-corruption issues.

6. **<u>Voting Guidelines for Meetings of Shareholders on behalf of the Fund</u>**

<u>Financial Reports and Acceptance of Financial Statements, Performance, and Dividend Payment</u>

The financial reports of the company must be reliable and be audited by an independent external auditor. The acceptance of the financial statements is to follow up and assess the performance of the directors and management. The Management Company will compare the financial position of the company with that in the previous years to see the direction of changes and whether it is in accordance with the industrial and economical condition of the country. Therefore, the financial statement required for approval should be accepted by auditors without qualification. The auditor should not have opinions that the financial statement is incorrect or remarks of unreliable information or have limitation on conducing audit. The financial statement should not be the one the auditor does not give opinion.

The dividend is the allocation of profit the shareholders as the owners is entitled to receive and should be in accordance with the policy informed by the company to the shareholders. In case the company fails to pay dividends as stated in the policy, the reasons should be furnished to the shareholders.

The Management Company **<u>may</u>** cast "disapproval" vote if :

(1) The auditor has opinions or remarks of having doubts in the financial statement, or certain parts containing incorrect information or unreliable information, or having limitation on conducting audit. or, the auditor does not provide opinions to the financial statement or provide opinions with material qualification.

(2) The dividend payment is not in accordance with the company's policy on the dividend payment without appropriate reasons or clarification to the shareholders.

<u>Special transactions e.g. acquisition or disposal of major properties, purchasing or leasing out business, acquisition or merger of business, management outsourcing, and takeover, etc</u>

The special transactions proposed to the shareholders by the company for consideration and decisions are significant to the business and have effect to the right of the shareholders. Therefore, whether the transactions are appropriate and benefit the Company should be taken into account for consideration. The appropriate transactions should be to operate the business as normal, normal business conditions, and have fair price compared to reliable third parties.

The company should disclose at least the following information for casting vote:

(1) Reasons and necessity

(2) Benefits to be received by the Company

(3) Opinions from of an independent financial advisor

(4) Conditions of the transaction

The Management Company **may** cast "disapproval" vote if :

(1) The information about the acquisition or disposal of properties, purchasing or leasing out business, acquisition or merger of business, management outsourcing, and takeover, such as background, objectives, price, etc, is not disclosed.

(2) The special transaction is not to operate the business as normal without giving clear clarification on reasons and necessity.

(3) Opinions of a financial advisor are needed but the opinions are not disclosed or the financial advisor materially disagrees.

Special transactions that may create conflict of interest

Transactions that may create conflict of interest between the company or person connected to the shareholders or connected transactions, such as shareholding and relationship with directors, executives or major shareholders, etc., are the special transactions proposed by the company to meetings of the shareholders for consideration and decisions where the transactions are significant to the business and have effect to the right of the shareholders. Thus, whether the transactions are appropriate and benefit the company should be taken into account for consideration. The appropriate transactions should be to operate the business as normal, normal business conditions, and have fair price compared to reliable third parties.

The company should disclose at least the following information for casting vote:

(1) Reasons and necessity

(2) Benefits to be received by the Company

(3) Opinions from of an independent financial advisor

(4) Conditions of the transaction

The Management Company **may** cast “disapproval” vote if :

(1) The transactions give only personal interest to the connected persons or causes damage to the company.

(2) The transactions create conflict of interest between the company and shareholders and persons connected to shareholders or are related transactions without opinion of an independent financial advisor

(3) Securities are offered to directors and/or employees in an excessive amount without benefit to the Fund as a shareholder, etc.

Appointment/Removal of Directors of the Company

The board of directors is the representative of the shareholders to oversee the business operation for long term benefits of the Company. Therefore, the board of directors should have appropriate component, be able to act independently from the management and to perform duties for the utmost benefit of the company and shareholders as follows:

(1) The shareholders are entitled to appoint director on an one-by-one basis and to approve the increase or decrease of the number of directors

(2) The company should propose to the shareholders to appoint directors having proper qualifications e.g. skills, experience, knowledge being benefits to the company. The chairman of directors and managing director should not be the same person and the chairman of directors should also be an independent director. (The definition of independent director is according to the rules and guidelines of the Office of the Securities and Exchange Commission and having no doubt of whether the director does not have independence):

(3) The company should have a transparent process to select appropriate directors of the company. A subcommittee should be set up for such selection process without influence of the controlling shareholders or the management

(4) The directors should be able to dedicate their time to fully perform duties as directors and should not take positions of directors in too many numbers of companies such as not taking positions director in listed companies at the number of more than 5 companies. They should attend every meeting of the directors, except for necessary cases, or should attend more than 75% of the total meetings. The information shall be disclosed in the directors' portfolios presented to the shareholders

(5) The company should have independent directors at the appropriate number or at no fewer than one-third of all directors. The directors' independence may decrease if they take such position for a too long period of time. Therefore, the independent director shall not take the position for more than 3 terms or 9 years in total

(6) The company should disclose at least the following information for casting vote:

  (a) The process of nominating directors

  (b) The qualifications of the nominated directors

  (c) The definition of an independent director of the company if an independent director is nominated to be selected

  (d) The number of times the directors attend meetings of directors in the past year

  (e) The number of years the directors take director positions

  (f) The number of companies in which the directors take positions

The Management Company **<u>may</u>** cast "disapproval" vote if :

(1) the listed company nominated the director has prohibited characteristic based on the Notification of The Securities and Exchange Commission Re: Qualifications and Prohibited Characteristics of Directors and Executives and amendment (if any)

(2) The existing board of directors is found to have a significant mistake on management.

(3) There is evidence showing the intent to commit an offense or conceal financial/accounting information.

(4) The company has risk factors affecting the right of shareholders, such as inequality in exercising voting right, management of assets in such a way causing dilution effect to the value of shareholders, or not allowing shareholders to exercise their rights to call an extraordinary general meeting of shareholders

(5) There is behavior of ignorance of majority votes for a resolution by the shareholders

(6) The director takes the position of director in listed companies at the number of more than 5 companies or attend meetings less than 75% of the total meetings.

(7) The person to take the position of the chairman of board of directors and CEO is the same except for some companies which may have effect to the business operation if the person to take such two positions are different.

(8) The appointment of independent directors does not comply with the guidelines set forth by SEC, such as having relationship with the consulting companies from which the company or top executives use the service or having relationship with the company's major customers or having any other relationship showing lack of independence or no clear process of selection of persons to be directors, etc.

(9) The number of the independent directors is fewer than one-third of all directors or the independent directors take the position for more than 3 terms or 9 years in total.

(10) The right to appoint directors on an one-by-one basis and to approve increase or decrease of the number of the directors in the board of directors is not given to the shareholders.

<u>Remuneration to Directors</u>

The remuneration to be paid by the company to the directors both in the form of money or in other forms shall be in an appropriate amount and could motivate the efficient directors to work with the company in a long term and should not be excessive. Therefore, the Management Company will consider fixing the remuneration according to the company's performance, size and complexity in business operation in conjunction with responsibilities and performance of the directors and comparable to other companies in the same industry. For example, the remuneration consists of a fixed amount, such as meeting allowance, and that depending on the business performance and the directors' performance (variable), such as no bonus if the company sustains loss, etc

(1) The company should have sub-committee to consider fixing remuneration to be in an appropriate form and amount. The sub-committee should be independent

(2) The company should disclose at least the following information for casting vote:

    (a) The principles and procedure of fixing remuneration

    (b) The forms, amount and reasons

    (c) The remuneration for services or advices to directors other than the remuneration received for acting as directors.

The Management Company **may** cast "disapproval" vote if :

(1) It was found out that the director of the listed company has prohibited characteristic based on the Notification of The Securities and Exchange Commission, Thailand Re: Qualifications and Prohibited Characteristics of Directors and Executives and amendment (if any)

(2) The remuneration both in the form of money and non-money form to directors is excessive comparing to their duties, responsibilities and performance.

(3) The company pays special remuneration without disclosing the amount and appropriate reasons.

(4) The interest is given to the minority or some groups without disclosing appropriate reasons.

(5) Securities are offered to directors and/or employees in an excessive amount without benefit the Fund as a shareholder.

(6) The plan of giving ESOP Warrant is unreasonably concentrated on some directors or executives.

(7) The plan of giving ESOP Warrant does not disclose dilution effect, or the ESOP Warrant is given in large number that might effect to right of shareholders based on all shares of the company.

(8) The condition of adjustment of the exercise price or extension of due date of the ESOP Warrant after the option was issued, upon consideration, is not positive or does not benefit the Fund except as a result of normal change, such as capital increase, etc

(9) The company sustains loss but the bonus is still paid to the directors.

Reorganization

In relation to the reorganization, such as becoming a major shareholder in other businesses, disposal, sale or transfer of assets significant to the company's operations, or the change of the directors' positions in the company, the Management Company will normally vote in the same way proposed by the management.

The Management Company **may** cast "disapproval" vote if :

(1) The proposal of reorganization is not normal without disclosing objectives which may materially affect the operation or performance.

(2) The reorganization has impact in a long term on the company as well as conditions or appropriate and fair proposal to the current shareholders.

Changes to Capital Structure of the Company

The change to the capital structure of the company, such as capital increase / capital decrease / not offering capital increase shares to the existing shareholders / the debt restructure and issuance of debenture, etc. is a significant business plan to the company. Thus, the appropriateness and benefit to the company and acceptable risk should be taken into account for consideration.

Capital Increase or Capital Decrease

Increase or decrease of the company's capital has effect to the right of the shareholders to control the company. Therefore, the shareholders should receive enough information to decide how the increase or decrease of the capital benefits the Company in the long run. As least, the objectives, necessity and benefits to be received by the company should be disclosed. If the increase of the capital is for the issuance of new shares, the company should provide the shareholders with additional information regarding prices, offering methods and share allocation. The existing shareholders should be fairly and equally treated.

Issuance of Debenture

The shareholders are entitled to make decisions on the issuance of debenture because it affects the financial structure of the company causing risk to impact the right of the shareholders. The issuance of debenture thus should be advantageous to the company's business operations in a long term.

The company should disclose at least the following information for casting vote: (in the case of debenture issuance):

(1) Objectives and necessity of issuance of debenture

(2) Benefits to be received by the company and risks from creating debts

(3) Conditions of issuance of debentures, such as details of offering and allocation of debt covenant, etc.

(4) Impact on the shareholders, such as financial risk from issuance of debenture, etc

Issuance of ESOP Warrant

In case the right to subscribe for securities is given to executives and employees (ESOP), the condition must be fair. The exercise price is appropriate compared to the current market price. The offering of securities must not unreasonably be concentrated on particular persons. In the case that the number of the shares and the underlying shares for the exercise of right under the convertible securities to be offered for sale to the directors or employees exceed 5% of the total number of shares with voting rights as at the date on which the resolution for the approval of the offer for sale of securities to the directors or employees is passed at a shareholders' meeting, and the offering price of the newly-issued securities is fixed with discount, the company shall provides reasons or rationale for the determination of the number of securities to be offered and the determination of the offering price of the newly-issued securities with discount and other details to comply with the SEC announcement. Besides, the number of convertible shares at a specific time should not be more than 2% of the existing shares to prevent the dilution effect. The offering of a large number of ESOP to any person should be reasonable. The period for exercise of right should be a long term

The Management Company **may** cast "disapproval" vote if :

(1) The increase of capital will result in creating classification of shareholders or unfair treatment to shareholders, such as inequality of granting voting right, etc

(2) The increase of capital does not grant right issues to the existing shareholders, causing too much dilution effect

(3) The allocation of shares remaining from subscription by the entitled persons is not fair to all interested parties.

(4) The repurchase of shares causes a free float to be lower than 20%.

(5) In the case of increase of capital for issuing new shares, the company does not provide enough information, including price, sales offer method and allocation, for making decisions.

(6) The conditions and methods of ESOP Warrant allocation is unreasonably concentrated on some directors or executives or the dilution effect is unreasonably excessive.

<u>Appointment and Removal of Auditor of the Company</u>

The appointment of an independent auditor to audit the company's financial statement must be reliable and fair. The persons to be appointed must possess professional ability and be able to give opinions on the financial statement independently from all parties. The auditor should not provide other services to the company in a way of causing lack of independence. The remuneration for the auditor must be appropriate comparing to the responsibilities and shall not be significantly different from remuneration for other auditors in general.

The company should disclose at least the following information for casting vote:

(1) Rules and procedures in the consideration for the appointment of and remuneration for the auditor.

(2) Number of years the auditor has provided services to the company.

(3) If the auditor is changed, the reasons for the change should be provided.

(4) Other services and remuneration the company pays to the auditor.

The Management Company **<u>may</u>** cast “disapproval” vote if :

(1) The reliability or independence of the auditor office or the auditor is doubtful. There is information showing relationship other than being the auditor, such as being an accounting advisor or internal auditor of the company, or having close relationship with the executives of the company, or having connection with the company in material respects.

(2) The auditing fee is unreasonably different in a significant amount from that in the past years

(3) The appointed auditor is not approved by SEC or the Stock Exchange.

(4) the existing auditor has served as the auditor for the company for a period of more than 7 years whether consecutively or not, except in the case that the existing auditor is the Office of the Auditor General or other departments having the same characteristic or get the waiver regarding the auditor turnover in capital market. If the existing auditor will be re-appointed, his/her period of service should have an interval term of at least 5 years.

(5) The auditor is unreasonably changed before appropriate time. or, the company receives opinions from the auditor and then the auditor is unreasonably changed.

<u>Changes of Type of Business or Objectives of the Company</u>

The Management Company **<u>may</u>** cast “disapproval” vote if :

(1) The purpose for change of the type of business or objectives of the company is not disclosed.

(2) The change of the type of business or objectives of the company is not in accordance with the law

<u>Amendment of Articles of Association and/or Memorandum of Association of the Company</u>

The amendment of the Articles of Association to be in accordance with the matters earlier approved in meetings of shareholders or the amendment of insignificant matters is deemed to be the normal business of the company. However, if the amendment is made to the important matters which may affect the right of shareholders, the company should clarify the objectives, reasons or necessity for such amendment.

The Management Company **<u>may</u>** cast “disapproval” vote if :

(1) The purpose of the amendment is not disclosed.

(2) The content to be amended is not disclosed.

<u>Limitation of Liability of the Directors and Increase of Compensation to Directors of the Company</u>

The Management Company **<u>may</u>** cast “disapproval” vote if:

The Company proposes to decrease or limit liabilities of directors or proposes not hold directors liable if damage from the directors’ mistake in their duties still exists.

<u>Other agendas</u>

The Management Company **<u>may</u>** cast “disapproval” vote or “abstain” if:
The matter in agenda is not informed in advance.

If the company proposes a matter that does not have guidelines for voting, the Management Company will cast vote by applying the guidelines of voting in meetings of shareholders on behalf of the Fund stated above on a case-by-case basis.

7. <u>**Disclose of Information**</u>

The Management Company will 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.

8. <u>**Documentation Storage**</u>

The Management Company storage the documents in relation to voting or other related documents for investigation at least 5 years after the voting date for investigation by the SEC.
