

Investment Governance Policy

Phillip Asset Management Co., Ltd. (hereinafter referred to as “ Company”) takes investment governance in its business practices seriously and this commitment was evidenced by the fact the Company voluntarily signed on to the 2017 Investment Governance Code (I Code) of the Securities and Exchange Commission on June 30, 2017. The Company has, however, established its own Investment Governance Policy (hereinafter referred to as “Policy”) based on the I Code’s Principles to further bolster investors’ confidence and demonstrate its commitment to always put the interests of clients and their beneficiaries first.

Duties and responsibilities under this Policy

1. The Company’s Board of Directors approves the Investment Governance Policy and monitors whether the Company’s business operations comply with it.
2. The Company’s senior management communicates and promotes the compliance of the Policy as part of the organizational culture; disseminates the Policy to all parties involved in the investment chain, both within and outside the Company; and monitors and reports the compliance results to the Board of Directors. The senior management also ensures that the Investment Management Department performs its duties responsibly; makes informed investment decisions; and adopts effective measures to monitor investee companies’ performance as well as their environmental, social and governance (ESG) practices.
3. The Investment Management Committee oversees the work done by the Investment Management Department, ensuring that it complies with the Policy and places investors’ interests first.
4. The Investment Management Department performs its duties in compliance with the I Code as well as the industry’s code of ethics and professional conduct, with investors’ interests being the first priority. In order to achieve these objectives, the department needs to have the following measures in place:
 - 4.1 Incorporating both economic factors and ESG performance of investee companies into investment decisions;
 - 4.2 Anti-corruption measures against both the Company and investee companies with reference to legal and industry requirements;
 - 4.3 Strict handling of material non-public information likely to have a significant impact on investee companies’ share prices;
 - 4.4 Prevention of money laundering and terrorist financing.
5. When the Company chooses to outsource some of its stewardship activities to other professional agencies, it must ensure that the outsourced work is carried out in line with the Policy.

The Policy consists of seven principles as follows:

Principle 1 Adopt a clear written investment governance policy;

Principle 2 Properly prevent and manage conflicts of interests and prioritize the best interests of clients;

Principle 3 Make informed investment decisions and engage in active ongoing monitoring of investee companies;

Principle 4 Apply enhanced monitoring of investee companies found to have issues that may affect the value of an investment and the best interests of clients if monitoring pursuant to Principle 3 is considered insufficient;

Principle 5 Publicly disclose a policy on the exercise of voting rights in investee companies;

Principle 6 Be willing to act collectively with other investors where appropriate;

Principle 7 Regularly disclose the Policy and compliance with it.

Principle 1 Adopt a clear written investment governance policy

The Board of Directors must approve a written policy on investment governance commensurate with the Company's structure and operations. It must review the operational guidelines of the Policy to maintain operational efficiency in corporate governance, the development of employees' capabilities and ESG practices.

Principle 2 Properly prevent and manage conflicts of interests and prioritize the best interests of clients

The Company must have measures in place to ensure adequacy and effectiveness of management of conflicts of interests as well as operational procedures for monitoring, controlling, verifying, for whistle-blowing and determining penalties. It is required to regularly review these measures and procedures to ensure adequate conflict of interest protection. The Company must also communicate with and encourage its related service providers to disclose conflict of interest matters that may arise from their service and to put in place sufficient measures to resolve them.

Principle 3 Make informed investment decisions and engage in active ongoing monitoring of investee companies

The Company must have in place processes to monitor the investee companies' operating performance on an ongoing and regular basis so that it can identify problems at an early stage. Additionally, it must take into account the investee companies' commitment to ESG principles before making investment decisions. In the event that the investee companies are found to have failed to comply with ESG principles, or to have had issues that may have an impact on their market value or share price, the Company shall discreetly consider the explanations provided, or not provided, by them and proceed to take action as appropriate.

Principle 4 Apply enhanced monitoring of investee companies found to have issues that may affect the value of an investment and the best interests of clients if monitoring pursuant to Principle 3 is considered insufficient

In the event regular monitoring measures under Principle 3 are insufficient or issues of concern remain unresolved, the Company must establish operational guidelines on when and how to apply enhanced monitoring of and engagement with the investee companies and communicate the guidelines with them. If the confidential engagement with the investee companies is unsuccessful, the Company must escalate their actions as deemed necessary and appropriate to further engage in solving the problems and restore the value of investment. Since the Company may obtain access to material non-public information while escalating the level of engagement with the investee companies, it therefore must implement necessary measures to prevent the use of such information in violation of applicable laws.

Principle 5: Publicly disclose a policy on the exercise of voting rights in investee companies

The Company must have a clear voting policy and ensure compliance with it to protect the best interests of clients. It must disclose the policy, voting activities and the use of proxy voting, if any, on its website so that clients are informed of the voting results and other important information about the voting.

Principle 6 Be willing to act collectively with other investors where appropriate

The Company may seek to act collectively with other investors and stakeholders by providing details of circumstances and justification for proposed collective engagements, both formal and informal. It must ensure compliance with applicable laws and regulations while participating in the collaborative engagements.

Principle 7 Regularly disclose the Policy and compliance with it.

The Company must maintain appropriate record-keeping systems and keep records of its investment duties and stewardship responsibilities pursuant to the Policy and in accordance with the I Code's Principles. It must have mechanisms to ensure information disclosed to clients and the public is accurate, complete and not misleading. The Company must also publicly disclose its Investment Governance Policy and the level of compliance with the Policy and the I Code's Principles on its website.

Scope of the policy's application

This Policy applies to the members of the Board of Directors and Executive Management and all levels of employees of Phillip Asset Management Co., Ltd.

Effective date 26 October 2023

Board of Directors
Phillip Asset Management Co., Ltd.

This Policy was approved by the Board of Directors meeting 4 / 2023 on 26 October 2023