



# Investment Governance Code Policy

## (I Code Policy)

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## Investment Governance Code Policy (I Code Policy)

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### Objective, Principle and Reason

The Securities and Exchange Commission has joined the global trend by adopting the Investment Governance Code (I Code). The I Code contains investment governance principles and guidance reflecting current international standards and best practices for responsible and effective stewardship over investment by institutional clients. Implementation of the I Code by Institutional Clients will enhance confidence of domestic and global markets' clients and trust that investment decisions and management are done in their best interest. Moreover, the I Code promotes and contributes to a good corporate governance ecosystem, and stimulates company responsible and sustainable practices, and fosters growth and development of the Thai capital market and the wider economy including the best interest of the Asset Owner, and providing durable benefits for Institutional Clients in the long term.

We Asset Management Company Limited ("the Management Company"), realizes our responsibilities to act in the best long-term interest of our clients. In this fiduciary duty, we believe that investment in companies that incorporate environmental, social responsibilities and governance factors in to their business strategies and practices will lead to sustainable long-term value creation to our clients.

We Asset Management Company Limited 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. We do not only consider the return and company risk but also conduct business with good governance with social and environmental responsibility (ESG). The Management Company, then, adopted the I Code by signing the letter of signatory declaration to the Investment Governance Code as of **19 November 2019**. In accordance with the SEC's guidelines of the Investment Governance Policy, the Management Company has set forth the I Code Policy which will be approved by the Board of Directors and will be disclosed accordingly.

### Role and Responsibility

1. The Board of Directors shall approve the Investment Governance Policy and appoint Risk Management Committee: RMC, Investment Committee: IC and investment managers together with relevant staff to follow this Policy.
2. The Management Company requires the Investment Department and relevant staff to perform their duties responsibly, in the best interest of the clients with acceptable investment risk.

## Investment practice

For the purpose of investment management regarding applicable laws and regulations with responsibility, ethic, code of conduct and best interest of clients, the Management Company shall adopt the investment guideline in relation to the following:

1. To perform investment management with duty of loyalty and duty of care and apply knowledge and competency as professional.
2. To integrate Investee Company' ESG issues in the Management Company's investment decision.
3. To ensure that the Management Company shall be in compliance with Anti-corruption measures of both the Institutional Clients and Investee Companies with reference to legal and industry requirements.
4. To ensure that the Management Company shall maintain proper management of investments, conflict of interests are prevented, such as the use of non-public information about or related to Investee Companies and their securities which may have a material effect on the price of securities and Prevention of unfair securities trading practices in violation of applicable laws and regulations regarding Conflict of Interest Policy and Procedure.
5. To ensure that the Management Company would not be used as a channel for Money Laundering and Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing as specified in the rules and regulations by the Management Company and Anti Money Laundering Office.

## Investment Governance Code (I Code)

### Principle 1: Adopt a Clear Written Investment Governance Code Policy

1. The Board of Directors shall approve the Investment Governance Policy (I Code Policy) and appoint Risk Management Committee: RMC, Investment Committee: IC and investment managers together with relevant staff to follow this guideline and comply with this Policy and require Investment Department or the respective departments to be responsible for reporting the compliance performance of the Policy to the Board of Directors at least once in a year.
2. The Board of Directors shall appoint Investment Department or appointed department to review this Policy once a year or when there is a significant change or material event.



3. The Management Company shall be aware of the primary responsibility for maintaining and creating investment value of the mutual fund, in relation to the best interest of clients.
4. The Management Company shall have an organization structure with systems and controls to ensure that investments are managed by Risk Management Committee: RMC, Investment Committee: IC and Investment Department in the best interest of clients. The Management Company shall have clear segregation of duties, for example, RMC shall closely and continuously monitor investment of the funds. The Management Company shall have Compliance and Audit unit to measure for the application of the conflict of interest procedure.
5. The Management Company shall employ knowledgeable and capable staff with working experience in order to manage the investment efficiently for the best interest of clients.
6. The Management Company shall communicate, promote and publicly disclose I Code policy to related person in investment chain internally and externally.

**Principle 2 : Properly prevent and manage conflicts of interest and prioritise advancing the best interest of clients.**

The Management Company shall recognize the importance of business conduct regarding Good Corporate Governance for the fair dealing and the best interest of clients so the measures of Conflict of Interest should be provided in written document as following;

1. To provide organization structure with working system of Risk Management Committee (RMC), Investment Committee (IC) and Investment Department shall be separate from other department regarding to Chinese Wall principle of the Management Company in order to protect unauthorized person to access confidential information and preserve information in their responsibility correctly and appropriately.
2. To determine the measures to prevent for the handling of non-public information of staff related to investment management and staff should concern and preserve information as professional and should not use non-public information to gain benefit as insider trading in accordance with applicable regulations.
3. To establish the controlling measure of staff dealing rules related to investment management such as disclosure of staff and related person of existing account, require the purchasing or selling order with authorized staff of the Management Company which shall be reviewed and approved by Compliance and Legal Department and reported to the Audit Committee.

Besides the regular compliance and audit review, the Management Company shall have staff communication and training to ensure understanding and effective application of measures.

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

1. The Management Company shall have in place processes and procedures for active ongoing monitoring of the performance of Investee Companies to ensure that they become promptly aware of factors relevant to the value of the Investee Companies including such monitoring shall include;
  - News and research analysis related to the Investee Companies and information disclosure by Investee Companies.
  - Effective engagement with the Board of Directors and the Executives of the Investee companies, and
  - Attending and exercising voting rights at the Investee Companies' Annual General Meeting and Extraordinary General Meeting.
2. The Management Company shall determine to take into consideration and actively monitor the commitment of long-term Investee Companies to ESG principles with regards to factors relevant to the value of Investee Companies.
3. In the event that Investee Companies are found to have failed to comply with the Corporate Governance or ESG principles, or other risk factors have been identified which may affect the value of the Investee Companies and durable return on investments, the Management Company shall seek and carefully consider the explanations of Investee Companies in each matter identified.

Thus, the Management Company shall take into consideration the commitment of Investee Companies to ESG principle which will lead to durable benefit of clients in the long term.

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

The Management Company shall enhance monitoring of and engagement with the Investee Companies in the event regular monitoring measures under Principle 3 are deemed insufficient to resolve risk factors identified. The Management Company shall progressively escalate their actions in relation to the Investee Company, as deemed necessary, including by:

- Formally notifying the Board of Directors of the Investee Companies the issue of concerns
- Engaging with the Chairman of the Board of Directors or other directors including independent director to negotiate with the Investee Companies on confidential basis in order to prepare a clear action plan for the event

- Attending and Requesting that the matters of concern identified be added to the agenda for Shareholder Meeting of the Investee Companies.
- Other appropriate measures in accordance with applicable laws.

However, if the Management Company considers that there is no other appropriate measure to resolve, the Management Company might sell the securities for the best interest of clients.

Thus, if there is an acknowledgement of non-public price-sensitive information, the Management Company shall conduct in accordance with policy and guideline for the handling of non-public information relating to Investee Companies compliance with applicable laws and regulations.

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

The Management Company shall recognize the importance of investment management regarding Good Corporate Governance and Fiduciary Duty and consider the best interest of mutual fund and clients.

The Management Company shall have the full discretion to exercise proxy voting rights based on their own proxy voting policies and procedures. The exercise of voting rights should be made available to clients with detailed disclosure in order to be complied with applicable laws and regulations.

The investment managers are required to exercise voting rights based on their own proxy voting policies and procedures. The investment managers should always be acting in the best interests of the fund(s) and fulfil its fiduciary duty.

#### **Principle 6 : Act Collectively with Other Clients and Stakeholders as Appropriate**

The Management Company shall collaborate with other clients and stakeholders to resolve concerns about the business that have not been resolved through the engagement with Investee Companies.

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

The Management Company shall disclose I Code Policy to staff, clients and the public via company's official website.