



Denali Prestige Asset Management Limited

Investment Governance Policy

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Investment Governance Policy

Objectives of the Investment Governance Policy

This Investment Governance Policy is made for the purpose of collecting rules and regulations, policies and practice guides for business operation of the board of directors, appointed directors, investment management committee, executives and employees within the organisation. In this regard, they shall comply with and be aware of their roles and responsibilities in conducting the business with due care, utilising their knowledge and capabilities as a professional to manage the investment, as well as carrying on the creation of sustainable value in the issuer in order that the Company can pass on long-term returns to its customers.

Nevertheless, in order to push forward the aforementioned, it is necessary that the Company has a good decision-making system and a close monitoring on the operation of the issuer. In the event of occurrence of any question in issues regarding corporate governance, social and environmental responsibilities, or any other issue of the issuer, the Company shall duly enhance its performance in monitoring and participating in problem-solving mechanism. The aforementioned participation includes collaborating with other institutional investors on solving the occurred problems and disclosing information about the operation to the Company's clients or the public, which are one of the mechanisms in which the Company can take responsibilities for the society as an asset management company.

Investment Governance Policy

1. Investment Governance Structure

The Company has set out its organisational structure which distinctly reflects a systematic duty and responsibility allocation by determining its missions, strategies, policies and operational framework in both organisational and sub-organisational levels. Further, its independent and non-conflicting corporate governance structure is in line with the principles of trust and good corporate governance.

Roles and Responsibilities of the Board of Directors and the High-Level Executives

The Company's board of directors and executives comprise knowledgeable and competent individuals with extensive experience in investment management business, which is a significant factor to reinforce the Company to achieve its stipulated missions, including having the qualifications and not possessing any of the prohibited characteristics prescribed by the monitoring agency. The roles and responsibilities of the board of directors and the executives are summarised as follows:

Board of Directors

The board of directors are responsible for determining the Company's strategic plans, policies, and objectives in relation to its investment management business and other businesses, both short-term and long-term, as well as determining other relevant policies e.g. governance policy, professional ethics policy, conflicts of interest policy, anti-corruption policy, investment policy and risk management framework. Further, they are also responsible for creating a facilitating environment to enhance the investment monitoring system and the strict implementation of policies or practice guides by the Company's personnel whilst taking into account the best interest of clients, under the duty of loyalty and duty of care principles.

Investment Management Committee

The Company's investment management committee comprise knowledgeable and competent individuals with extensive experience in investment management business. It is responsible for managing investments whilst taking into consideration the factors affecting clients' returns and risks, evaluating the fund management, investment risk monitoring, rendering advice or other suggestions for the improvement of the investment management to be more efficient, as well as considering approaches to exercise voting rights at a shareholders meeting of the company that the fund invests in, to be in accordance with the guidelines for exercising voting rights for the Company's fund, or with the terms and conditions set out in the private fund management agreements.

Chief Executive Officer

The chief executive officer is responsible for carrying on the Company's business to achieve its objectives and goals and to ensure its compliance with the rules, regulations, and policies stipulated by the board of directors.

2. Investment Philosophy

The Company, acting as an asset management company carrying on a private fund management business, aims for and intends to make steady long-term returns for the investors by taking into account the best interest of the investors, under the duty of loyalty and duty of care principles which are the basis of the Company's business operation.

3. Fundamental Investment Principles

To ensure that the investment management is in line with the laws, ethics, code of conduct for investment management, and the agreements entered into by the Company and its clients, taking into account the best interests of the investors, the Company has adopted its policies, regulations, and basic guidelines as set out below:

- 1) To render long-term investment returns to the Company's clients by maintaining the growth balance of the rate of returns and the acceptable rate of risks, as well as planning a long-term investment in accordance with the Company's policies and the investment policies stipulated by clients.
- 2) To manage the investment utilising their knowledge and capabilities, attentiveness and prudence by establishing a framework for ensuring that risk management is in compliance with the provisions in the laws, provisions in the agreements for fund management, and the stipulated investment policies, which includes benchmarking and proper risk level controlling.
- 3) To render investment services with honesty and integrity by imposing preventive measures against unfair practices and activities that may cause conflicts of interest to arise, and imposing ethics, code of conduct, the principle of disclosure of information of any potential conflicts of interest, and operational rules for the Company's personnel to acknowledge and strictly follow. In addition, a procedure to regularly monitor and examine the compliance with the aforementioned system as well as channels for submitting complaints and whistleblowing are established, for the purposes of strengthening the efficiency and improving working system of the Company.
- 4) To conduct the business with transparency by adopting anti-bribery, anti-corruption, anti-fraudulence and zero tolerance policies.
- 5) To make a responsible investment by emphasising on environmental, social, and governance responsibility factors of the issuer in which the managed fund invests.
- 6) To act as a shareowner and regularly follow up on the operation of the issuer from reports or all media channels, as well as monitor factors affecting the value, returns, and risks of the issuer. In the event that the Company discovers any issue regarding strategy, turnover, risk management, administration in accordance with good governance, impact on society or environment or any other issues of the same nature that should be resolved, improved, or clarified by the issuer, the Company shall enhance its operation monitoring and increase the level of participation in resolving such issues to ensure that the issuer shall thrive and make sustainable long-term returns for the investors.

- 7) To participate in a collective engagement with other investors to solve the problems of the issuer for the purpose of promoting the country's investment governance and investment management industry, as well as to build trust with the investors.
- 8) To strictly comply with the laws and the Company's code of conducts, e.g. the laws concerning anti-money laundering and counter-terrorism and proliferation of weapons of mass destruction financing, etc.

Prevention and Management of Conflicts of Interest

The Company, acting as an investment management business operator, is directly responsible for building trust and protecting the positive image of Thailand's capital markets in investors' perspectives whilst taking into consideration the best interest of the investors. Due to such responsibility together with a determination of the Company, the Company has established efficient measures and operating system to prevent and resolve the conflicts of interest as follows:

- 1) measures for prevention and suppression of insider trading in the fund
- 2) measures for investment for proprietary trading
- 3) measures for employees or related persons security options (staff dealing rule)
- 4) measures for acceptance of gifts or benefits from clients, service providers or other persons (soft dollar)
- 5) measures for inspection of frequency and volume of security trading to prevent excessive trading (churning)
- 6) measures for affiliate transactions

In addition, the Company has established a procedure to strictly and regularly monitor and examine the compliance with the aforementioned measures and report the result thereof to the designated committee.

Decision-making and Investment Monitoring Procedure

The Company has set up a procedure for constantly monitoring the operation of the issuer to ensure that the Company can keep record of the issuer's operation and timely be aware of any potential difficulty that may arise from the operation. The decision-making and monitoring procedure comprises:

- 1) keeping up to date with the news and information disclosure in relation to the issuer through all channels;
- 2) attending meetings with directors, executives, and management personnel of the issuer; and

- 3) attending and exercising voting rights at the shareholders' meetings of the issuer in which the fund invests as a proxy, including annual general meetings, extraordinary general meetings, and any other meetings that may take place.

Enhancement of Investment Monitoring

In the event that the Company discovers any issue related to the followings that may affect the value of investment and the best interest of clients, the Company may consider applying any additional protocol to the issuer:

- 1) strategy, turnover, and risk management;
- 2) trust in the implementation of corporate governance principles; and
- 3) social responsibilities and environmental governance principles.

With regard to the additional protocol, the Company shall determine its intensity level based upon necessity and apply the followings:

- 1) issuing a letter to the board of directors of the issuer to address issues, observations, and concerns;
- 2) meeting with the chairman or an independent director or any director of the issuer to address issues, observations, and concerns and requesting for a clarification;
- 3) attending and exercising voting rights on relevant issues at shareholders' meetings of the issuer and any other meetings that may take place; and
- 4) solely or jointly with other shareholders proceeding with a request to the board of directors of the issuer to hold a shareholders' meeting to consider relevant agendas.

Disclosure of Voting Policy and Voting Result to Clients

The Company's voting policy is in line with the standards of the investment management industry and the corporate governance principles and is officially published on the Company's website.

Nevertheless, since voting rights at a general meeting of the issuer in which a private fund invests are exclusive to each client and the client may consider whether or not they would exercise the rights. The Company duly respects such rights and is responsible for notifying of such rights in a timely manner to provide the client with sufficient time to properly consider the meeting's agendas. In case that a client wishes to authorize the Company to exercise the voting rights on behalf of the client at a meeting, they may comply with the provisions set out in the private fund management agreement



between the client and the Company. The Company shall exercise the voting rights as a proxy, taking into consideration the best interest of clients and in accordance with the voting policy of the company.

Collaboration with Other Persons for Policy Compliance Efficiency

Collaboration of institutional investors with other investors and stakeholders is an efficient measure for collaboration with investee companies. Despite the enhancement of monitoring system, certain concerns remain unresolved and the Company shall, as appropriate, engage in collaboration with other institutional investors on the unresolved issues.

Regular Disclosure of Investment Governance Policy and Compliance

The Company shall regularly disclose information about investment governance policy and compliance with such policy, including disclosure of guidelines for exercising voting rights on the Company’s website. The Company shall also disclose to its clients the information about exercising of proxy voting rights at the shareholders meeting in compliance with the voting policy depending on the terms, approaches, and provisions as indicated in the private fund management agreement between the Company and each client. The Company also appointed the compliance and risk management department to constantly monitor compliance with the policy as well as established a process of an annual policy review.
