

Investment Governance Code: I-Code

SCB Asset Management Co., Ltd.

Approved by Board of Directors on 9 November 2022

Policy Version Control Table

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Investment Governance Code Policy – I Code Policy

1. Objectives, Principles and Reasons

Whereas the Securities and Exchange Commission has given the importance to institutional investors in considering the role of responsible investment management to solve social deterioration and environmental problems which severely affect the living of people. By considering the factors of returns and risks of the business, the responsibility toward society, environment and good governance of such business should also be recognized.

SCB Asset Management Co., Ltd. (the “Company”) has supported and announced its intention to participate in compliance with investment governance principles of institutional investors. Therefore, this policy has been established to encourage more efficient decision making and monitoring of the Company investment process by considering the good corporate governance, social responsibility and the environmental factor of investee companies. Those factors, in addition to creating a good and beneficial investment environment, they give good results on both the returns and risk factors to the Company’s investors.

2. Roles and Responsibilities

2.1 The Company’s Board of Directors is responsible to:

2.1.1 Approve the policy and review the investment governance policy.

2.1.2 Supervise investments to comply with this policy.

2.2 The Investment Committee is responsible to:

2.2.1 Develop, monitor operations, and assess investment suitability in accordance with the principles of investment governance.

2.2.2 Consider for approval or determine guidelines to comply with this policy, such as considering increasing the monitoring level of the investee companies or collaborating with other investors.

2.2.3 Review the appropriateness of this policy to present to the Company’s Board of Directors.

2.3 Investment Department is responsible to:

- 2.3.1 Consider selecting investments in securities by considering investment governance principles.
- 2.3.2 Manage to implement investment governance principles to fit the main implementation of Investment governance to be in accordance and consistent with the investment policy, investment strategy and fund risk management for the best benefit of investment.
- 2.3.3 Prepare reports on compliance with this policy and recording documents and evidence and preparing for auditing from relevant agencies.
- 2.3.4 Communicate and instill the culture of compliance with good governance principles within the department.

2.4 Real Estate and Infrastructure Investment Group is responsible to:

- 2.4.1 Consider and select trust funds for acceptance as a trustee or trust manager or management of property funds or infrastructure funds by considering the principle of investment governance and consistency according to the nature of the business fund management policy, characteristics of real estate or infrastructure.
- 2.4.2 Develop, manage, develop guidelines, and improve the application of investment governance principles to be appropriate and consistent with the investment policy, investment strategy and fund risk management for the utmost benefits of investment.
- 2.4.3 Communicate and instill the culture of compliance with good governance principles within the work group.

2.5 Investment Product Development Department is responsible to:

- 2.5.1 Implement investment governance principles to mutual fund product development guidelines.

2.6 Securities Business Regulations Department is responsible to:

- 2.6.1 Provide advice on compliance with investment governance principles to comply with the rules of the Office of the Securities and Exchange Commission.

2.7 Auditing is responsible to:

2.7.1 Audit compliance with this policy and report to the Board of Directors.

3. Investment Governance Principle of Institutional Investors

Principle 1: **Firmly established investment governance policy**

- 1.1 The Board of Directors assigns the Investment Committee to be responsible for compliance with this policy and to review this policy at least once a year or when there is significant change of terms or regulations of investment.
- 1.2 The Company shall have a management structure, work system and controlling which enable the Board of Directors and the management to manage investments for the best interests of customers.
- 1.3 The Company shall provide personnel with knowledge and ability and compensation structure, incentive measures and performance assessment to support compliance with this policy.
- 1.4 The Company shall cultivate a corporate culture focusing on creating the best investment value for investors throughout the investment period.

Principle 2: **Sufficient protection against conflicts of interest to align with fiduciary duty**

The Company focuses investing on behalf of funds with integrity, care of the benefits of the funds, using best knowledge and skills as a professional as well as using discretion to maintain and fairness in investment management on behalf of funds. However, if a transaction with conflict of interests cannot be avoided, the Company may enact such transaction under the measure for management conflicts of interests provided by the Company under the laws and announcements of the government agencies, such as, trading of securities between funds, all types of transactions with related parties or selection of securities brokers etc.

Principle 3: Making decisions and monitoring investee companies closely and actively

Selection of securities should be made carefully and consistent with objectives, investment policy investment strategy and limitations of investment portfolios and is not contrary to the rules of the Office of the Securities and Exchange Commission. In addition, the company believes that investing in business with good strategies/standards in the areas of economy, environment, society, and governance (Environment, Social and Governance - ESG) in doing business according to the investment governance code (Investment Governance Code) will bring good returns and sustainability of the investment owner/customer/company. The Management Company will consider such issues when choosing to invest in securities as well as funds, risk management to be consistent with investment styles, resources, and the utmost benefits of the investors or customers.

The Company will regularly monitor the operations of the investee companies by considering both the quality of reports and disclosures of information, meetings with directors and management, exercising of voting rights, follow-up on news and information disclosure related to the investee company, as far as is reasonable and appropriate to the significance of the investment.

Moreover, the Company agrees that the ESG concepts and guidelines for implementing this policy should be considered as factors for selection and investment management or supervision to comply with the investment management business in property funds, infrastructure funds real estate/infrastructure investment trust or business of trustee, as appropriate for the strategy and the business nature of investment.

Principle 4: Escalating monitoring level of investee companies if process pursuant to Principle 3 is not sufficient

In the case where the Company finds out that the investee companies have issues regarding the the principles of good corporate governance, risk management, responsibility to social and environmental or any other issues that the Company foresee they may impact on the long-term growth strategy of the investee company.

The Company may consider to carry out one or multiple acts, such as,

- Sending a letter to the Board of Directors to report issues, observations, and concerns.
- Meeting with the Chairman of the Board or other directors including independent directors.
- Participating in the shareholders' meeting to exercise voting rights on such matters or requesting to add an agenda to the shareholders' meeting. This may include proposing an agenda to replace directors or senior management; or
- Any other suitable method as required by law.

However, if the Company considers that there is no other better tool, or there is no suitable measure, the Company may consider selling of securities for utmost benefits of the unitholders or customers.

The Company will not seek other information which is not publicly available or deemed as taking advantage of other investors and if the Company has been informed of internal information which may affect the price of securities, the Company will comply with the rules on usage of inside information as specified by the Company and/or that the law will further specify including compliance with the confidentiality of information.

Principle 5: Disclosure of voting policy and voting results

The exercise of voting rights of the fund manager must be carried out by considering the best interests of the shareholders, with clarity and transparency and in accordance with the Company's practice as well as rules related notices of the Office of the Securities and Exchange Commission. Further details of the Company's policy on exercising of voting rights can be found on the channels provided by the Company.

Principle 6: Collaboration with other investors and stakeholders as appropriately (Collective Engagement)

The Company may consider collaborating or provide cooperation with other investors to achieve the objectives to comply with this policy. Before collaborating with other investors, the Company will ensure that mutual benefits of investors are in the same direction and will not constitute conflicts of interests, contrary to the laws, rules, or requirements of government agencies. The Company may contact each individual investor or through organization, juristic person, private sector, such as the Association of Investment Management Companies. Provident Fund Association, etc.

Principle 7: Disclosure of investment governance policy and consistent compliance with customer policy

The Company will provide a system for tracking and collecting information on compliance with this policy as well as disclosure to investors or customers based on the Fair Disclosure Principle and that shall be accurate information, does not cause misunderstanding or distortion of facts through the channels specified by the Company at least once a year.