

Investment Governance Policy Report of 2022

MFC Asset Management Public Company Limited (“MFC”) is one of the leading asset management companies in Thailand. We give great importance to good corporate governance when conducting our business operations and are fully aware of our social responsibilities. MFC has long been adhering to these ideals under the code of ethics, which has been refined to suit the changing economic and social environment. To this end, we announced our adoption of investment governance on 15 June 2017 and issued the Investment Governance Policy of the Company in accordance with the investment governance practices of the Office of the SEC, which was taken from ICGN Global Stewardship Principles, 2016 drafted by the International Corporate Governance Network. MFC has strictly adhered to our Investment Governance Policy and has regularly monitored and audited related departments to ensure good practice and provided reports to the Audit Committee and the Board of Directors.

In 2022, related departments have acted in accordance with the Company’s measures in preventing conflict of interest such as report on benefits received from counter parties or other parties; consideration of facts and recording of rationale for the transaction in order to control transactions with connected persons; acting in compliance with control of trading frequency; acting in compliance with control of employee trading and control of using insider information for the fund.

With regards to the investment decision process and close, timely monitoring of investments, MFC has determined the factors in selecting securities for the investment of the funds under management including factors involving the environment, social responsibility and good corporate governance. Furthermore, there shall be monitoring of news and disclosure of information on the companies invested. In addition, MFC has met with members of the Association of Investment Management Companies to determine guidelines to take action when various events occur so as to be in line with the industry.

In 2022, MFC implemented measures to temporarily delay investment in a listed company, which appeared in the news that there is a person holding the position of director whom the Securities and Exchange Commission penalized for trading securities using inside information. MFC cancelled such measure when that person resigned from being a director of said listed company.

MFC has stipulated that related persons shall monitor the news and information disclosures related to the companies in which the funds invest, as well as meet with the directors and management of the companies. Moreover, the level of monitoring is increased when there is a situation that may impact the investment value or non-compliance with investment governance. In this case, MFC shall contact the Board of Directors of the invested company to voice observations and concerns or to ask to meet the Chairman or other directors, including independent directors. In addition, we may ask to add an agenda to the shareholders' meeting, as well as propose a change in directors or executives, as the case may be.

With regards to voting, MFC has controls in place to ensure voting at companies in which the funds invest by attending the annual general meetings and the extraordinary shareholder meetings. When voting on behalf of the funds, MFC carefully considers the information in order to make the decision to agree, disagree or abstain in accordance with the policy and guidelines on voting at meetings of listed companies. MFC provides a report on voting on behalf of the funds and has disclosed the report on our website.

Compliance Department
MFC Asset Management plc.