STEWARDSHIP STATEMENT:
THE MALAYSIAN CODE FOR INSTITUTIONAL INVESTORS

PRINCIPLE 1: DISCLOSING POLICIES ON STEWARDSHIP

Institutional investors should disclose the policies on their stewardship responsibilities and review the effectiveness of their stewardship activities.

At Kenanga Investors Group ("**KIG**"), we are committed to acting in the best interests of our clients by promoting responsible and sustainable practices within our investee companies. Our goal is to generate positive impact through our investments, extending beyond financial gains, to include environmental, social, and governance ("**ESG**") benefits.

Our stewardship approach integrates sustainability considerations into every phrase of the investment processes and decision-making, ensuring long-term sustainable returns for our clients. We implement robust ESG integration strategies, supported by effective screening mechanisms, and practise active stewardship by engaging with stakeholders and exercising our voting rights in investee companies.

To ensure the effectiveness of our stewardship activities, we regularly review and enhance our practices, aligning our policies with evolving best practices in responsible investment. We are dedicated to continuously improving our stewardship efforts to deliver sustainable value and uphold our commitment to responsible investment.

PRINCIPLE 2: MONITORING INVESTEE COMPANIES

Institutional investors should monitor their investee companies.

As part of our investment process, we perform extensive research and closely monitor our investee companies to ensure their business practices, corporate governance, and risk management align with our ESG goals. This alignment is crucial as it promotes sustainable and responsible business operations, leading to long-term value creation and risk mitigation.

We achieve this through regular engagement meetings with company management and comprehensive analysis of financial data, corporate information, and relevant news. By maintaining an active dialogue with our investee companies and staying informed about their business operations and market conditions, we can effectively oversee their performance and adherence to ESG standards.

PRINCIPLE 3: ENGAGING INVESTEE COMPANIES

Institutional investors should engage with investee companies as appropriate and collaborate with investors to enhance engagement outcomes.

We believe that engagement is an effective way to foster long-term relationship with investee companies and promoting good sustainability practices. This approach helps create value for our investments and clients over time.

At KIG, we conduct our engagement through the following methods:

i. Management Visits – We regularly visit company management to get updates and engage in discussions on business operations, developments, and ESG issues.
ii. Company Briefings – Our investment team frequently participates in analyst briefings conducted by investee companies.
iii. Annual General Meetings ("**AGM**") and Extraordinary General Meetings ("**EGM**") – We attend AGMs and EGMs to share our views and/or exercise our voting rights, which serve as formal channel of engagement with the investee companies.

Through these engagement methods, we can better understand the operations and strategies of our investee companies, effectively communicate our views and concerns, and advocate for improvements that align with our ESG goals and long-term investment objectives.

PRINCIPLE 4: MANAGING CONFLICTS OF INTEREST

Institutional investors should adopt a policy on managing conflicts of interest which should be publicly disclosed.

We are committed to adhering to the highest standards of corporate governance and maintaining integrity in our investment dealings and management. To address potential conflicts of interest within the company, we have implemented and disclosed comprehensive policies, including:

i. Conflict Management Policy
ii. Code of Ethics and Conduct for Employees
iii. Anti-Fraud, Bribery, and Corruption Policy
iv. Chinese Wall Policy
v. Whistleblowing Policy

These policies ensure that any conflicts of interest are identified, managed, and disclosed appropriately, reinforcing our commitment to transparency and accountability.

PRINCIPLE 5: INCORPORATING SUSTAINABILITY CONSIDERATIONS

Institutional investors should incorporate corporate governance and sustainability considerations, including climate-related matters into their decision-making process while seeking to deliver sustainable returns in the long-term interest of their beneficiaries or clients.

We are dedicated to embedding corporate governance and sustainability considerations, including climate-related issues, into our investment decision-making process. This commitment is reflected in our comprehensive ESG Integration Strategy and Framework, which permeates every stage of the investment lifecycle.

Our ESG Integration Strategy is developed in collaboration with a global leader in ESG research and adheres to international standards and best practices. This strategy ensures that our investment decisions are informed by robust ESG data and analysis, enabling us to identify and mitigate risks while capitalizing on opportunities for sustainable growth.

Key components of our strategy include:

i. Leveraging extensive ESG research and data
ii. Employing rigorous assessment mechanisms
iii. Implementing proactive stewardship practices and stakeholder engagement

Through these efforts, we seek to deliver sustainable returns in the long-term interest of our beneficiaries and clients, reinforcing our commitment to responsible investment and contributing to a more sustainable future.

PRINCIPLE 6: PUBLISHING CORPORATE GOVERNANCE POLICY AND VOTING GUIDELINES

Institutional investors should publicly disclose their corporate governance policy and voting guidelines.

We view voting in AGMs and on ESG matters as a formal channel to communicate and express our views to investee companies, particularly on ESG-related issues. We exercise our voting rights on material resolutions in investee companies where we hold substantial stakes.

Material resolutions are generally related to, but are not limited to, the following:

i. Appointment of auditors, board of directors
ii. Compensation
iii. Proxy contests
iv. Capital structure
v. Mergers and acquisitions

Our voting decisions are made with the best interests of our clients in mind, aiming to enhance long-term value and sustainability. This approach helps ensure good governance practices within investee companies.

PRINCIPLE 7: COLLABORATIVE RESPONSE ON CORPORATE GOVERNANCE AND SUSTAINABILITY ISSUES

Institutional investors should collaborate where appropriate to respond to corporate governance and sustainability concerns or risks. The collective voice and views of institutional investors are important levers in shaping behaviour and promoting good corporate governance, in particular on emerging issues such as sustainability reporting and investing.

We actively participate in collaborative engagements with other institutional investors through industry meetings and roundtables organized by global and local networks. Such collaborative efforts amplify our voice and enhance the effectiveness of our actions, as the combined influence of multiple investors can lead to more significant and positive changes within investee companies.

This collaboration ensures that companies adhere to high standards of governance and sustainability, addressing complex issues that may be challenging to tackle individually. Through collective engagement, we contribute to and benefit from shared strategies, facilitate the exchange of best practices, and coordinate actions on sustainability challenges.

These platforms offer opportunities for policy advocacy, sharing insights on ESG risks, and developing joint resolutions that promote transparency and accountability. By working together, we drive meaningful progress in corporate governance and sustainability, reinforcing our commitment to responsible investment and the long-term interests of our beneficiaries and clients.