

# **AL Habib Asset Management Limited**

## **Stewardship Policy**

### **1. Introduction**

The Company acknowledges its responsibility as managers of investors' investments. Its fiduciary duty extends beyond financial returns, encompassing a broader commitment to sustainable and ethical practices.

The objective of the Stewardship Policy is to protect the interest of the Investors by keeping abreast of the performance of the investee companies and ensuring resulting informed decisions by the Company. The Company will compile a report on how it has fulfilled its stewardship responsibilities as per this Policy on annual basis.

### **2. Monitoring Investee Companies**

Monitoring of investee companies is a critical part of the Company's stewardship role. The Company will actively monitor all factors including, financial and non-financial, that could impact the value and sustainable growth of our investee companies.

In addition to fundamental factors that form the building block of financial analysis like capital structure, business strategy, pricing/cost outlook, macroeconomic framework, the Company will also take account of non-financial factors like Code of Corporate Governance, ESG issues, leadership quality, and organizational culture. The Company will take effective measures for monitoring the aforementioned factors related to investee companies.

### **3. Engagement with Investee Companies**

Engagement is a meaningful dialogue with the investee companies. It is an extension of the Monitoring Process for understanding of a specific aspect of the investee company's operations. It may include dialogue on matters such as strategy, long term performance, capital structure, ESG issues or matters that are subject to votes at a general meeting.

### **4. Conflict of Interest**

The Company maintains an information barrier, ensuring the confidentiality of investors and transactional information within managed funds/portfolios.

Acknowledging the importance of professionalism and integrity in maintaining investors trust, the Company may prohibit certain activities that could lead to conflicts of interest or misuse of investee company information. The Company require employees to disclose any conflicts of interest. The Company has also developed a "Conflict of Interest Policy", which applies to all Directors, The CEO and Key Executives.

### **5. Voting Guidelines**

The Company has a Proxy Voting Policy in place that includes guidelines, procedures, and standards for voting activities and records disclosure. Our voting standards consider the promotion of good corporate governance, transparency, and accountability within investee companies.

### **6. Environmental, Social, and Governance (ESG)**

The Company recognizes the significance of ESG factors in long-term investment performance and risk management. The ESG factors are considered in our investment analysis, management profile, governance structure, profitability, product suitability and external auditor reports.

### **7. Review And Amendment**

This Policy shall be reviewed periodically and revised as appropriate to reflect the evolving functions of the Board and developing trends of best practice and regulatory compliance in corporate governance.