
Proxy Voting Guidelines



1. Introduction

King Wai Asset Management (Asia) Company Limited (KWIAM) has established proxy voting guideline to achieve objective as follow:

- To Mitigate conflict of interest
- To Encourage corporate governance

2. Voting Guidelines

Fund Manager shall consider exercising the right to vote under the Management Company's policy framework for exercising the right to vote at the Meetings of Shareholders, with the exception of the funds for which the customers have specified that they intend to vote by themselves. The fund manager may delegate this task to another individual by giving power of attorney.

If there is a conflict of interest with KWIAM's BoD, fund manager or related persons, the Management Company shall vote or abstain from voting, based solely on the benefits to the funds under management.

- Vote for any agenda of the companies that may benefit to the funds under management
- Vote against any agenda of the companies that may create unfairness to minority shareholders or incur a conflict of interest
- Vote abstain to any agenda at the shareholders' meetings that do not provide sufficient information for making a decision

i. For General Agenda

- Vote for general agenda such as acknowledging operating report, adopting the minutes of the General Meeting of Shareholders

ii. For financial statements

- Vote for financial statements and the auditor's report of the companies if their auditor opinion is unqualified opinion – clean report.

- Vote against if:
 - The auditor opinion is qualified opinion
 - The auditor opinion is disclaimer of opinion
 - The auditor opinion is adverse opinion

iii. For dividend payment

- Vote against if dividend payment does not comply with dividend payment policy without proper justification

iv. For the appointment and removal of directors

- Vote against if:
 - Directors who attended fewer than 75% of meetings without appropriate explanation
 - The proposed person holds a directorship in more than 10 companies.
 - The proposed person lacks qualifications or has apparently tainted business reputation.
 - The number of independent directors of a listed company should not be less than the minimum number required by law, except for cases with justifiable reason.

v. For the special remuneration of Board of Directors and Employee Stock Option Plans (ESOP) and capital increase

- Vote against if:
 - The detail of remuneration or ESOP is not disclosed
 - The increase of remuneration or special director remuneration in the year when operational losses are incurred, except for cases with justifiable reason.
 - If dilution effect exceeds 20%; however, Fund Manage shall consider decision where dilution effect exceeds 5%
 - The increase in registered capital or any transactions of the companies may negatively impact the rights and benefits of shareholders.

vi. Approving appointment / removal of financial auditor and approval of audit fees

- Vote against if:
 - Audit fee and other fees such as non-audit fees. is not disclosed



- Auditors having qualifications that do not meet the regulatory requirements and criteria of the SEC.
- The company should not employ the same auditor for over 7 years and there should be at least a 5-year lapse.

vii. Approving mergers, acquisition, spin-offs, and corporate restructuring

- Vote against in the absence of information disclosure showing details of mergers, acquisition, spin-offs, and corporate restructuring, where information disclosed should include details such as purpose of transaction, benefit of transaction, price of transaction, etc. and pricing should be fair value

viii. Approving the amendments Articles and Memorandum of Association

- Vote against in the absence of detail information disclosure

ix. Limitations to directors' liabilities

- Vote for an increase in compensation for damages/liabilities to directors, if proven to have performed duties to his/her full ability.

x. Any other agenda

- Fund Manager shall vote against on any other agenda

xi. Irregular or suspicious agenda

- Fund Manager may seek for Investment Committee approval on the irregular or suspicious agenda

3. Proxy Vote Audit and Disclosure

Compliance department shall review the result of proxy voting and publicly disclose summary of proxy voting after year end

4. Documentation of proxy votes and results

The Investment team shall maintain copies of documents showing exercise of proxy votes and decisions taken by investment committee, to be kept for a period of at least 5 years before documents can be discarded.